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FBIS-EAS-94-216 CONTENTS *8 November 1994*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

- Further on Preparations for APEC Meeting ... 1
  - No Consensus at CTI Meeting *[Jakarta Radio]* ... 1
  - Further on Outcome of CTI Meeting *[BANGKOK POST 8 Nov]* ... 1
  - Senior Officials Meeting Opens *[KYODO]* ... 2
  - Japan To Address Conflict With U.S. *[Jakarta Radio]* ... 2
  - Thais 'Uneasy' Over APEC Draft *[THE NATION 8 Nov]* ... 3
  - Proposed Investment Principles Cited *[BANGKOK POST 8 Nov]* ... 3
  - Action on Harmonizing Standards *[KYODO]* ... 4
- Singapore Minister on Wish To Host WTO Meeting *[Singapore Radio]* ... 5
- Seminar Examines U.S.-DPRK Nuclear Accord *[Hong Kong HSIN PAO 3 Nov]* ... 5
- Tokyo International Conference on Aid Opens *[KYODO]* ... 7

NORTHEAST ASIA

Japan

- Gallucci To Visit Tokyo for Talks on DPRK *[KYODO]* ... 8
- Mieno on Weak Dollar, Uncertain U.S. Elections *[KYODO]* ... 8
- Slocombe Meets Kono, Discuss Security Issues *[KYODO]* ... 8
- U.S. Officials Asked To Step Up Base Curtailment *[OKINAWA TIMES 8 Nov]* ... 9
- 'Full Amount' of Costs for U.S. Bases Pledged *[MAINICHI SHIMBUN 7 Nov]* ... 9
- SOFA Revision Urged To Solve Base Issues *[RYUKYU SHIMPO 31 Oct]* ... 10
- MHW Dismisses U.S. Magazine's AIDS Report *[KYODO]* ... 12
- Gap With U.S. in Environment Research Viewed *[NIHON KEIZAI SHIMBUN 31 Oct]* ... 12
- Tokyo To Urge Asia-Pacific Nations To Cooperate *[KYODO]* ... 12
  - Hashimoto Favors Suharto Proposal *[KYODO]* ... 13
  - More on Support for Free Trade *[KYODO]* ... 13
- Textile Workers Want Asian Imports Curbed *[KYODO]* ... 14
- Tokyo Asked To Expand Investment in Gulf Nations *[KYODO]* ... 14
  - Murayama Promises Aid *[KYODO]* ... 15
  - More on Japanese Investment *[SPA]* ... 15
- Companies' Inroads Into PRC Market Reported *[EKONOMISUTO 25 Oct]* ... 16
- Article Views Tokyo-Pyongyang Negotiations *[MAINICHI SHIMBUN 5 Nov]* ... 18
- Kim Yong-sun on Japan-DPRK Normalization *[Tokyo TV]* ... 19
- ODA 'Dango,' JICA's Secrecy Criticized *[EKONOMISUTO 24 Sep]* ... 19
- NHK Panel Discusses Deregulation, Survey *[Tokyo TV]* ... 21
- Tight Rules Said To Hinder Risk Management *[KYODO]* ... 21
- Deregulation To Boost Agricultural Imports *[KYODO]* ... 22
- Takemura, Finance Ministry Wage Tax Reform 'War' *[BUNGEI SHUNJU Nov]* ... 22
  - Tax on Food Items Ruled Out *[KYODO]* ... 27
- Officials Predict Political 'Upheaval' in Dec *[SHUKAN DAIYAMONDO 12 Nov]* ... 28
- Murayama's Cautious Stance on Election Noted *[NIHON KEIZAI SHIMBUN 8 Nov]* ... 28
- Opposition To Elect New Party Head 8 or 9 Dec *[KYODO]* ... 29
- SDPJ, Sakigake Meet on Political Realignment *[KYODO]* ... 29
- LDP's Kajiyama on Political Situation *[CHUO KORON Nov]* ... 30
- Historian Views SDPJ Political Leadership *[SHOKUN Oct]* ... 36
- Bureaucratic Shift in New Administration Viewed *[SEIKAI ORAI Oct]* ... 42
- Mitsubishi Oil Expanding Retail Gas Operations *[NIKKEI SANGYO SHIMBUN 26 Oct]* ... 44
- Marubeni Joins Indian Offshore Oil Project *[NIHON KEIZAI SHIMBUN 29 Oct]* ... 45

North Korea

- Foreign Organizations Hail North-U.S. Agreement *[KCNA]* 45
  - Pakistan, Nepal, Mozambique *[KCNA]* 46
  - Guyana, Egypt, Yemen, Kazakhstan *[KCNA]* 46
- CPRF Accuses ROK Rulers of Anti-North Plots *[KCNA]* 47
- Relatives Send Letters to Prisoners in ROK *[KCNA]* 47
- LSWYK Urges Repatriation of ROK's Prisoners *[KCNA]* 47
- Women's Democratic Union Urges Repatriation of POW's *[KCNA]* 48
- Student Alliance: 1995 Year of Reunification *[KCNA]* 48
- Hanchongnyon on Independence, Reunification *[KCNA]* 49
- ROK Hanchongnyon Delegate Choe Tours North *[KCNA]* 49
- Kim Yong-sam Officials' 'Lobbying' Denounced *[KCNA]* 49
- Kim Yong-sam Denounced for 'Antinational Crimes' *[KCNA]* 50
- Paper Claims ROK's ANSP Fabricates Cases *[KCNA]* 50
- Latin American Parties Urge Abolition of NSL *[KCNA]* 51
- Foreign Groups Support Koryo Reunification Plan *[KCNA]* 51
- WPK Friendship Delegation Leaves for China *[KCNA]* 51
- Choe Meets With CPV Delegates Departing MAC *[KCNA]* 51
- Central People's Committee Greets Cambodian King *[KCNA]* 51
- Lao Army Department Director Gives Impressions *[KCNA]* 52
- Ministry Denounces Japan's Bid for UN Seat *[KCNA]* 52
- Delegation of Chongnyon Businessmen Arrives *[KCNA]* 53
- Fidel Castro Receives WPK Delegation *[KCNA]* 53
- WPK, Cuban Communist Party Secretaries Meet *[KCNA]* 53
- Ambassadorial Relations Established With Georgia *[KCNA]* 53
- Yang Sends Greetings to Jordanian House Speaker *[KCNA]* 54
- Envoy Visits Danish Communist Party Leader *[Pyongyang Radio]* 54
- Letters to Kim Chong-il Adopted Abroad *[KCNA]* 54
- Meeting Names Cuban School After Kim Il-song *[KCNA]* 54
- Overseas Koreans Honor Memory of Kim Il-song *[KCNA]* 55
- Overseas Groups Hold Services for Kim Il-song *[KCNA]* 55
- Anniversary of Kim Il-song's Death Commemorated *[Pyongyang Radio]* 55
  - Daily Marks 4-Month Anniversary *[KCNA]* 57
- Kim Chong-il's Treatise on Socialism Lauded *[Pyongyang Radio]* 57
  - 'Widespread Repercussions' Noted *[KCNA]* 58
- Newspaper Stresses Virtues of Kim Chong-il *[KCNA]* 59
- Kim Chong-il Thanks South Pyongan Province *[Pyongyang Radio]* 60
- Building of Chuche-Oriented Regime Stressed *[MINJU CHOSON 7 Sep]* 61
- Development of Literature, Art Highlighted *[KCNA]* 64
- Tourist Mountain Resort Town Hyangsan Described *[KCNA]* 64

South Korea

- IAEA Calls Special Meeting on Nuclear Issue *[YONHAP]* 65
- Han on First DPRK Energy Development Meeting *[Seoul Radio]* 65
- Government Decides on Reactor Planning Group *[YONHAP]* 65
- Kim Unhappy With North Nuclear Deal 'Aspects' *[AFP]* 65
- Russia, North Study Nuclear Power Cooperation *[CHUNGANG ILBO 5 Nov]* 66
- Secretary Christopher's Coming Visit Analyzed *[TONG-A ILBO 8 Nov]* 66
  - Editorial Recommends Talk Issues *[CHUNGANG ILBO 8 Nov]* 67
- U.S. Secretary of State Arrives for Consultations *[YONHAP]* 67
- U.S. Firms' Investment Plans in North Studied *[YONHAP]* 68
- Departure of Japanese Delegation to North Delayed *[CHUNGANG ILBO 8 Nov]* 68
- UNDP 'Ready To Push' North Free Trade Zone *[YONHAP]* 68
- Envoy to PRC 'Pessimistic' on N-S Cooperation *[YONHAP]* 69
- N-S Economic Cooperation Procedures Outlined *[YONHAP]* 69
- Government Plans N-S Competition Guidelines *[YONHAP]* 70
- Businesses 'Expected' To Promote N-S Projects *[YONHAP]* 70
- Measures for N-S Economic Projects Detailed *[YONHAP]* 71
- Defector Testifies on POW Status in DPRK *[CHOSON ILBO 5 Nov]* 72

O Chin-u Said Not To Undergo Surgery in Paris *[YONHAP]* 73
PRC's Focus, 'Equidistant Diplomacy' Protested *[CHOSON ILBO 6 Nov]* 73
Envoy to PRC on LWR Construction Memorandum *[CHOSON ILBO 6 Nov]* 74
Increasing Economic Cooperation With PRC Viewed *[THE KOREA TIMES 7 Nov]* 74
Seoul, Tokyo Agree To Conduct Military Exchanges *[SEOUL SINMUN 6 Nov]* 75
More on Planned Cheju-Embassy Communication Line *[THE KOREA HERALD 5 Nov]* 75
Seoul Considers Regional Super-Highway Network *[YONHAP]* 76
Domestic Exporters Register Profit 'Decrease' *[THE KOREA TIMES 5 Nov]* 76
Libya Suspends Payment for ROK Firms Projects *[YONHAP]* 76
DP Decides To Launch Campaign Against Chun, No *[YONHAP]* 77
    DLP Criticizes DP's Decision *[YONHAP]* 77
    Assembly Operations 'Uncertain' *[YONHAP]* 77
* MND Reforms Personnel Administration Law *[SISA JOURNAL 15 Sep]* 78
Prosecution Decides To Question Tong-a Chairman *[YONHAP]* 79
7 Arrested for Involvement in Underground Movement *[YONHAP]* 79
Domestic Shipbuilding Firms Set Monthly Record *[YONHAP]* 79
Government Decides To Reduce Rice Purchases *[YONHAP]* 80

SOUTHEAST ASIA

Burma

Khin Nyunt Receives Kayan New Land Party Leader *[Rangoon Radio]* 81
Students Want Political Prisoners Freed *[THE NATION 5 Nov]* 81

Brunei, Malaysia & Singapore

Malaysia

Troops To Remain at Points Along Thai Border *[Kuala Lumpur Radio]* 81
Another Al-Arqam Leader Released Unconditionally *[NEW SUNDAY TIMES 6 Nov]* 81
Plan To Create UN Economic Council Criticized *[Kuala Lumpur International]* 82

Singapore

PRC President Arrives; Notes Friendly Ties *[Singapore Radio]* 83

Cambodia

KR Spokesman Welcomes Rejection of U.S. Depots *[Radio PGNUNS]* 83
NADK Spokesman Denies Killing of Civilians *[Radio PGNUNS]* 83
KR Conscript Labor in Preparation for Battles *[AFP]* 84
Khmer Rouge Penchant for 'Pillaging' Assailed *[Phnom Penh Radio]* 84
Outgoing Minister Criticizes Corrupt Officials *[AFP]* 85
Ranariddh Says Sihanouk 'Could Return' in Jan *[Phnom Penh Radio]* 85
Government Spokesman Reports on Cabinet Meeting *[Phnom Penh Radio]* 86
Two Newspapers Face Action for Insulting Leaders *[AFP]* 86
Paper Reports Assistance From Japan, Belgium *[REAKSMEI KAMPUCHEA 5 Nov]* 87

Indonesia

Editorial Previews Issues Facing APEC Summit *[REPUBLIKA 4 Nov]* 87
Editorial Views GATT Ratification, WTO Chief *[SUARA PEMBARUAN 1 Nov]* 88
Armed Forces To 'Protect' Territorial Waters *[ANTARA]* 88
Cabinet Cites Higher Inflation, Trade Surplus *[THE INDONESIA TIMES 3 Nov]* 89
* Tax Change Suggested To Attract Investment *[PELITA 21 Sep]* 89

Laos

Minister Promises Cooperation in MIA Search *[Vientiane Radio]* 90
Vice Premier Receives PRC Communication Minister *[KPL]* 90
Politburo Member, Minister Receive PRC Delegation *[KPL]* 90
Laws on Bankruptcy, Contract Guarantee Promulgated *[KPL]* 90

Philippines

Clinton Visit Seen as 'Coup' for Ramos Government *[MALAYA 4 Nov]* 90
Government To Hold Peace Talks With MILF *[Quezon City Radio]* 91
Communist Chief Interviewed on Peace Talks *[MALAYA 31 Oct]* 91
Exiled Communist Chief's Legitimacy Questioned *[MALAYA 4 Nov]* 92
NDF Spokesman Questions Ramos' 'Sincerity' *[Quezon City Radio-TV]* 92

Thailand

Government Preparations for APEC Meeting Noted 93
  Liberalization 'No Sooner' Than 2010 *[Radio VOFA]* 93
  Suphachai on Trade Principles *[BANGKOK POST 8 Nov]* 93
  Government To Clarify KR Issue *[BANGKOK POST 8 Nov]* 93
Possible Impact of U.S. Elections on Asia Viewed *[THE NATION 8 Nov]* 94
Rejection of U.S. 'Gunboat Diplomacy' Lauded *[SIAM POST 6 Nov]* 95
U.S. Pressure on Rangoon for Reforms Lauded *[THE SUNDAY POST 6 Nov]* 96

Vietnam

Neighbors' Rejection of U.S. Request Hailed *[Hanoi Radio]* 97
Resuming Relations With Russia Said Under Way *[VNA]* 97
* Article Views Cambodian Immigration Law *[TUAN BAO QUOC TE 8-14 Sep]* 98
Buddhists Reportedly Arrested in Ho Chi Minh City *[AFP]* 99
* Countermeasures Against 'Peaceful Evolution' *[TAP CHI QUOC PHONG TOAN DAN Aug 94]* 99

AUSTRALASIA

Australia

Indonesian Rights Abuses Cited Ahead of APEC *[Melbourne International]* 103

Solomon Islands

Parliament Reelects Mamaloni as Prime Minister *[Melbourne International]* 103
  Mamaloni Cited on Bougainville Policy *[Melbourne International]* 103

Further on Preparations for APEC Meeting

No Consensus at CTI Meeting

BK0711145194 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 7 Nov 94

[FBIS Translated Text] The meeting of the Committee on Trade and Investment [CTI] which began yesterday ended today without reaching any consensus. Indonesia and South Korea considered that APEC [Asia-Pacific Economic Cooperation] should give full attention to this matter. Following are reports from Yusina Ligati and Jok Istri Andarwati:

[Begin recording] [Ligati] Singapore, which yesterday did not accept three non-binding investment principles, finally accepted them today, saying that the issue needs to be coordinated with the senior officials meeting, SOM. Hartanto Raksodibutro, the Indonesian delegate, said this morning that the committee basically agreed that the issue of the non-binding investment, which had been discussed since yesterday, should be brought forward to tomorrow's meeting. However, only one of the remaining principles still needs to be agreed upon. Even though no consensus was achieved regarding Indonesia's performance requirement and [words indistinct] and exchange system, there was a possibility that the issue could be solved. Following is Jok Istri Andrawati's report on the statement by the South Korean delegate:

[Andrawati] The three non-binding investment principles, which were rejected by the United States, have strong connections with a number of [words indistinct] toward seeking a higher standard. Speaking after the Committee on Trade and Investment meeting, a South Korean delegate, Son Chun-yong said in an effort to achieve a consensus, the Committee on Trade and Investment agreed that the issue should be handed over to the SOM because it is the SOM's responsibility to discuss the issue of non-binding investment. [Words indistinct] said, in fact, the issue of the non-binding investment code was not the responsibility of the Committee on Trade and Investment because such an issue was among some other initiatives left behind by the APEC leaders during their meeting held in Seattle last year. According to Son Chun-yong, the principles which were proposed by the Committee on Trade and Investment pose no problem for South Korea because it has all along agreed with those principles. [end recording]

Further on Outcome of CTI Meeting

BK0811063994 Bangkok BANGKOK POST in English 8 Nov 94 p 3

[FBIS Transcribed Text] Asia Pacific Economic Cooperation (APEC) ministers from 18 countries, particularly those from the United States must decide whether they will establish investment principles within the group.

The Committee on Trade and Investment (CTI), on the second day of its meeting yesterday, decided to report to the APEC ministers through the Senior Officials Meeting (SOM) that all members, except those from the US had agreed to adopt non-binding principles on investment, according-to South Korean assistant foreign minister for economic affairs Son Chun-yong who chaired the meeting.

Mr Son said only the US had objected to the non-binding principles based on three principles: national treatment, performance requirements, and repatriation and convertibility. He said national treatment required equal treatment for both foreign and domestic investors.

The performance requirements covering an obligation to use local content, an obligation to employ local manpower, the transfer of technology and an obligation to export a certain proportion is considered a barrier to investment expansion by the US.

Developed countries like Australia, Canada and the US want to do away with the performance requirements but less advanced countries want to retain certain performance requirements.

There are still some restrictions on repatriation and convertibility affecting the sending of money, profits, dividends or money converted into international currencies.

The committee identified 12 principles but the US delegation focused on the three principles only as the delegation leader Assistant Trade Representatives Nancy Adams said she had no authority to accept the package as a whole.

Singapore dropped its earlier reported reservation on the expropriation of land so only the US opposed the consensus.

Mr Son said the only thing to do now was to submit the findings to the SOM. He said APEC aimed for consensus but there were also instances in the past when this could not be achieved.

The CTI agreed to form a sub-committee on customs procedures and another on standards conformity.

The CTI has been assigned to work programmes covering trade, customs, investment, a tariff database ad manual, market access, standards conformity, the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), the APEC Eminent Person Group report and the examination of additional issues.

The SOM will meet for three days from today to consider an ad-hoc group report on economic trends issues, the proposed guidelines for work programmes of the economic committee for 1995, a second report by the APEC Eminent Persons Group, a human resource development framework, ways to improve public and commercial infrastructure, business and private sector participation, implementation of leaders' visions and initiatives, membership and organisation issues.

Senior Officials Meeting Opens

OW0811030294 Tokyo KYODO in English 0233 GMT 8 Nov 94

[By Tim Johnson]

[FBIS Transcribed Text] Jakarta, Oct. 8 KYODO—Senior officials of 17 governments in the Asia-Pacific Economic Cooperation (APEC) forum plus Chile began a three-day meeting on Tuesday to discuss trade and investment liberalization issues ahead of upcoming ministerial and summit-level talks in Jakarta.

Japanese delegation sources said that efforts would continue on the margins of the meeting to overcome U.S. qualms about a proposed investment code for Pacific Rim economies so that APEC foreign and finance ministers can endorse it by consensus when they meet Friday and Saturday. But prospects for a successful outcome from those efforts remain anybody's guess, they said.

APEC's Committee on Trade and Investment (CTI) ended two days of talks on Monday with the U.S. still dissenting on the grounds that the goals laid out in the draft document are not lofty or far-reaching enough to merit aspiring to.

The CTI meeting had been expected to recommend to the ministers that the nonbinding investment principles be adopted as the first concrete step in the direction of realizing APEC's ambitious goal of liberalizing trade and investment in the region.

Japanese sources said that if talks on the margins produce a breakthrough, the newly-achieved consensus would be reported to the ministers in a report issued at the end of the senior officials' meeting (SOM) on Thursday.

Washington objected to the wording of three key principles enunciated in the draft document, namely those concerning national treatment for foreign investment, performance requirements and repatriation and convertibility issues.

The sources said the SOM will also yield a joint statement shedding light on the talks, which will cover such issues as human resources development and infrastructure rehabilitation, as well as the controversial subject of APEC's institutionalization.

The opening of the SOM marks the formal start of the APEC process in Jakarta, culminating in an informal summit meeting of APEC leaders in nearby Bogor on Nov. 15.

The leaders will consider setting a goal of free trade and investment in the region—the world's most dynamic—by early next century.

An updated draft of a statement to be issued by the leaders at the end of their meeting, which was obtained by KYODO News Service on Monday, says the leaders call for the Asia-Pacific region to be made a free trade zone by the year 2020, with developed and newly industrializing economies completing the liberalization process by 2010. But it remains to be seen whether the authors of the statement and its supporters can win over those governments most cautious about setting a target date, particularly Malaysia.

APEC groups Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States. Chile will become a full member at the coming ministerial meeting.

Japan To Address Conflict With U.S.

BK0811093394 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 8 Nov 94

[FBIS Translated Excerpt] The following is a report by correspondent Roro Firman Sukarno on the APEC [Asia-Pacific Economic Cooperation] meeting direct from the Jakarta Hilton Convention Center:

[Begin recording] [Sukarno] Japan will take advantage of the momentum of the APEC meeting to again discuss the issue of its economic relations with the United States if the latter wishes to do so. In a special interview with RRI [Radio Republik of Indonesia], Japanese Ambassador to Indonesia Taizo Watanabe said numerous observers believe that the U.S.-Japan conflict is serious. He is aware that if issues between two great economic powers, such as Japan and the United States, remain unresolved then there will be many serious problems so attention is needed toward solving the issues. According to Watanabe, Japan always upholds three principles when conducting discussions with the United States: the presence of government control; transparency, including the avoidance of secret pacts; and that the Japan-U.S. pact should be followed by similar action by other APEC member countries. [passage omitted]

The APEC senior officials meeting [SOM] held this morning managed to address two important issues. The meeting, which was officially opened by SOM head Wisbur Luis, began first with the presentation of the report on the outcome of the CTI [Committee on Trade and Investment] meeting, which will be dealt with at the ministerial level meeting to be held on 11-12 November. Today's meetings conducted by the SOM will focus on the outcome of the CTI meetings. Correspondent Esna Prahesti reports on the outcome of the SOM's second session:

[Esna] The outcome of the second session, which concluded at around 12:30 west Indonesia time, stressed the importance of ensuring a smooth flow of goods, investment, and services in the Asia-Pacific region because with a smooth flow of goods, economic growth in the Asia-Pacific region will be hastened. Sahup M. Harahap, assistant coordinating minister for bilateral and multilateral trade cooperation, said this in his capacity as the

Indonesian delegation deputy leader in an interview with reporters after the meeting. Meanwhile, Mr. Kris, a Thai delegate interviewed by RRI after the second SOM meeting said that the morning session had concluded and the current session is continuing to discuss several issues presented by the CTI. According to him, during the early SOM session, the United States had not reached an agreement on several issues but will make an effort to seek solutions and understanding with the other participants.

Listeners, Indonesia will host the upcoming APEC finance ministers meeting in April 1994. As such, the APEC secretary general of finance has been given the responsibility to make preparations, including issues for discussion at the upcoming ministerial meeting. The APEC SOM meeting will continue this afternoon until 17:30 west Indonesia time. [end recording]

Thais 'Uneasy' Over APEC Draft

BK0811072994 Bangkok THE NATION in English 8 Nov 94 pp A1, A4

[FBIS Transcribed Text] Indonesian President Suharto's draft declaration for the Asia Pacific Economic Cooperation (APEC) leaders' summit has raised suspicions that the loose grouping would become a trading bloc, in violation of GATT principles, according to a senior Thai delegate to the meeting.

Informed sources said Thailand is prepared to propose a change to the draft when its economic ministers attend the APEC ministerial meeting over the weekend to prepare for the leaders' summit on Nov 15 in Bogor. Foreign Minister Thaksin Chinnawat and Commerce Minister Uthai Phimchaichon will represent Thailand at the ministerial meeting.

The draft circulated two weeks ago among 17 APEC members was scrutinized yesterday at an inter-agencies meeting chaired by Prime Minister Chuan Likphai, to formulate Thailand's position at the APEC meetings.

According to the draft, the group would agree to the creation of a "free trade arrangement" by 2010 through promoting trade liberalization within the group in conformity with GATT rules.

The draft suggested beginning the process of trade liberalization through tariff reductions within the group following GATT-based non- discriminatory principles before giving reductions to non-APEC members.

Tirana Phongmakaphat commented that this new trading bloc creation is against GATT principles of non-discriminatory trade practices.

"Thailand is against the creation of a new trading bloc and will only agree to GATT-consistent economic cooperation," said Tirana, Deputy Prime Minister Suphachai Phanitchaphak's aide. Suphachai will attend the APEC Summit meeting on Nov 15 as Prime Minister Chuan's adviser.

Tirana said the draft's contents lean toward creating a trading bloc without specifically naming it as such, and he added that the tricky use of the words "free trade arrangement" instead of "free trade area" and other similar obfuscations in the draft were intended to distract readers from realizing the implications.

Informed sources at yesterday's meeting argued that Suharto's draft was selectively leaning towards GATT Article 24, which allows an economic group under GATT administration to conduct trade liberalization among themselves before extending it to all 117 GATT members.

However, according to the source, the Thai delegation to the APEC ministerial meetings will propose that the draft be changed to explicitly state APEC's intention in forming its free trade area to continue adherence to other GATT articles, including Article 1, dealing with non-discriminatory trade practices.

Suphachai told reporters the government agreed to National Economic Policy Committee recommendations on APEC's position.

"It would be considered a great achievement if APEC could influence member countries to comply with GATT policies, " said Suphachai when asked the point of having APEC agreements which fall within GATT boundaries.

The government yesterday approved the recommendation that Thailand support APEC's more moderate agreement to create a free trade area by 2010 on condition that renegotiations over time will not be permitted but exemption measures for member countries unable to fulfill the time limit may be given.

It supported non-binding trade and investment codes and agreed that agreements on trade and tariffs under APEC should not exceed GATT boundaries.

Proposed Investment Principles Cited

BK0811072394 Bangkok BANGKOK POST in English 8 Nov 94 p 3

[FBIS Transcribed Text] Following are the contents of the proposed draft of APEC non-binding principles for investment:

—The principles will be in the spirit of APEC's underlying approach of open regionalism;

—Recognition of the importance of investment to economic development, the stimulation of growth and the creation of jobs in the Asia-Pacific region;

—Emphasis on the importance of promoting a domestic environment conducive to attracting foreign investment in economies, such as stable, low inflationary growth, adequate infrastructure and human resource development;

—Reflecting that most APEC economies are both sources and recipients of foreign investment;

—Aiming to increase investment particularly in small and medium enterprises, and to develop supporting industries;

—Acknowledging the diversity in the level and pace of development of member economies but committed to efforts toward the improvement of their investment regimes.

APEC emphasis on the non-binding principles:

—Transparency: Member economies should endeavor to make their foreign investment laws, regulations, administrative guidelines and policies at all levels, as public, transparent and readily accessible as practicable.

—Non-Discrimination between source economies: Members economies should extend treatment to investors from any economy that is no less favourable than that accorded to investors from any other economy in like situations, in accordance with relevant international principles.

—National Treatment: In accordance with their laws, regulations and policies, member economies should accord investors from other economies treatment no less favourable than that accorded in like simulation to domestic investors.

—Investment incentives: Member economies should not relax domestic health, safety and environmental regulations solely to encourage foreign investment.

—Host Government Performance requirements: Members should seek to minimise use of performance requirements which distort or limit expansion of trade and investment.

—Expropriation and compensation: Member economies should not expropriate foreign investment, or take measures that have a similar effect, except for a public purpose, on a non-discriminatory basis, in accordance with the laws of each economy and against prompt payment of adequate and effective compensation.

—Repatriation and convertibility: Member economies undertake to allow, without unreasonable delay and in a freely convertible currency, the free transfer of funds related to foreign investment, including profits, loan payments and liquidations, subject to the law of each economy.

—Settlement of dispute: Member economies accept that disputes arising in connection with a foreign investment should be settled through prompt consultations and, failing this, through procedures for arbitration acceptable to the member economies involved.

—Entry ad Sojourn of personnel: Member economies undertake to permit, subject to relevant laws and regulations, the temporary entry and sojourn of key foreign technical and managerial personnel for the purpose of engaging in activities connected with foreign investment.

—Avoidance of double taxation: Member economies recognise the desirability of avoiding the double taxation of foreign investment.

Action on Harmonizing Standards

OW0811095194 Tokyo KYODO in English 0932 GMT 8 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 8 KYODO—Ministers from 18 economies in the Asia-Pacific Economic Cooperation (APEC) forum will commit their governments later this week in Jakarta to reducing negative effects of differing national product standards on the free flow of goods and services in the region.

The commitment to harmonize or mutually recognize national standards is contained in a draft declaration on an APEC standards and conformance framework, a copy of which was obtained by KYODO News Service ahead of ministerial talks Friday [10 November] and Saturday.

The declaration says APEC members recognize "that greater commonality of approach to standards and conformance arrangements will facilitate more rapid trade flows, reduce costs and encourage greater integration of production networks in the region."

It says APEC members will endeavor "to ensure that standards, technical specifications, inspections and testing procedures and certification requirements do not create unnecessary obstacles in international trade."

Differences in national product standards and testing procedures raise the costs of international transactions as product runs have to be adjusted to meet individual economy requirements.

The document acknowledges that developing countries may encounter "special difficulties" in the formulation and application of standards as well as in assessing conformity.

It also recognizes that governments may have different requirements for such legitimate reasons as plant, animal or human health, protection of the environment and ensuring the quality of exports.

In a passage that may have particular bearing on U.S.-Japanese trade disputes, the document says APEC members pledge not to apply such standards or technical regulations as "a disguised restriction on international trade."

It also says they must not be applied "in a manner which would constitute a means of arbitrary or unjustifiable discrimination between members where the same conditions prevail."

Fully 15 percent of all complaints about nontariff barriers filed with the General Agreement on Tariffs and Trade (GATT) concern national standards and testing procedures.

To further the objectives set out in the framework, the APEC members commit themselves in the declaration to cooperating in regional and international bodies, increasing transparency of standards and conformance arrangements in the region and mutual recognition of conformity assessment systems.

To that end, the declaration endorses establishment of a new subcommittee under authority of the APEC Committee on Trade and Investment (CTI), which will have an initial life span of three years.

During talks last November in Seattle, APEC leaders and ministers identified work on standards and conformance issues as a priority item on APEC's trade and investment agenda.

APEC groups Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States. Chile will become a full member at the coming ministerial meeting.

Singapore Minister on Wish To Host WTO Meeting

BK0811125094 Singapore Singapore Broadcasting Corporation in English 1100 GMT 8 Nov 94

[FBIS Transcribed Text] Singapore will push on with its offer to host the first WTO [World Trade Organization] ministerial meeting. Speaking ahead of the APEC [Asia-Pacific Economic Cooperation] ministerial meeting, Trade and Industry Minister Yeo Cheow Tong said support for Singapore's offer is strong and gathering momentum. Fifty-four countries from Asia, South America, and Europe have already given their support to Singapore. Among them are Japan, Canada, and EEC countries France and Germany.

Commenting on the U.S. commerce secretary's remarks that he is agreeable to have Singapore host the second WTO meeting, Mr. Yeo said this is a positive step forward. Mr. Mickey Kantor had spoken out strongly against Singapore hosting the first meeting.

Seminar Examines U.S.-DPRK Nuclear Accord

HK0811010294 Hong Kong HSIN PAO in Chinese 3 Nov 94 p 29

[By Chang Yi-fan (1728 0001 1581) in Tokyo on 1 November: "U.S.-DPRK Nuclear Agreement Leads to a Lot of Discussion"]

[FBIS Translated Text] I returned to Tokyo from Hong Kong hurriedly on 24 October because I was participating in a two-day academic seminar on "nuclear proliferation and security guarantees in Northeast Asia" scheduled for 25 October. As a matter of fact, it is not accurate to say that this meeting was an "academic seminar," because except for the U.S representative, the main representatives from Russia, the Republic of Korea, and Japan were government officials in charge of national security. Their opinions represented, more or less, the views of their respective governments. The U.S. representative was Ms. Kathleen Bailey. This once all-powerful lady, who was in charge of nuclear disarmament negotiations for the State Department under the Reagan and Bush administrations, is now a senior research fellow at an important strategic research institute in the United States. Although the former Republican government official has quite a few complaints about the foreign policy of the current Democratic President Clinton, many of her views still attracted great attention at the meeting.

The focus of meetings on the first day was on how to appraise the agreement reached between the United States and the DPRK on 21 October in Geneva, Switzerland on the comprehensive settlement of the DPRK's nuclear plan. Tanaka, chief Japanese representative (also called ambassador) at the Geneva Disarmament Conference, held that this agreement should be affirmed. The greatest achievement was that the DPRK's nuclear developments had been frozen and the deterioration in the trend of development had been terminated. Nasarogin [nasa luojin 4780 5646 5012 6855], chairman of the Russian Security Guarantee Council and former Russian representative to the Geneva disarmament talks, shared this view. He said the agreement was indeed an outcome of compromise between both sides. However, he said, there are three important points: First, the most important projects in the DPRK's nuclear development plan—the graphite deceleration reactor and the nuclear fuel retreatment facilities—have been banned by the agreement. This is a drastic measure against the DPRK's nuclear development, just like taking away the firewood from under the cauldron. Second, the agreement reconfirms the DPRK's position as a member of the "Nuclear Nonproliferation Treaty" (NPT). When the Korean peninsula was in crisis, the DPRK declared it would quit the treaty; now, it has given up this idea, and this is good for the NPT. Third, South and North Korea announced a declaration in 1992 on the denuclearization of the Korean peninsula. Shortly after that, the emergence of the North Korean nuclear problem turned the "declaration" into a mere scrap of paper. Now it is time to discuss the "declaration" again. Nasarogin said that according to an analysis based on information obtained from the "External Information Bureau," a Russian espionage and information organ, Russia did not believe that North Korea had any nuclear warheads. After the agreement between North Korea and the United States, Russia was more optimistic about denuclearization on the Korean peninsula.

North Korea Escaped Punishment, U.S. Concessions May Be a Danger

Contrary to this optimistic attitude, Ms. Bailey was pessimistic about the situation. She believed that the nuclear threat from North Korea had not been reduced. There is reason to believe that North Korea already possesses nuclear bombs. More than that, it also possesses more than 1,000 tons of chemical materials for chemical weapons and biological weapons using natural vaccinia. Although it is still unknown how North Korea developed long-range guided missiles, its cruise missile technology is already up to standard and has begun to be exported to the Middle East region. The report of a cruise missile launch is not highly accurate, but the launching of such missiles with biological and chemical warheads in the Sea of Japan could threaten all Japanese territorial areas. If such missiles were deployed in the Middle East region, the security of Europe and the United States would be challenged. Ms. Bailey said that under the condition that these existing problems have not been fundamentally resolved, the U.S.-DPRK agreement has allowed North Korea to escape the punishment it deserves and, moreover, obtain unexpected economic aid. In other words, it has "dodged the stick and had the carrot to eat."

Ms. Bailey also pointed out that North Korea is a country which has lost international credibility. Over the past three years since dialogue started between the two countries, it has been perfidious many times. Thus, who can guarantee that it will not repeat the same mistake? She believed that the signing of the U.S.-DPRK agreement indicated the failure of the United States.

Kim Ku-sop, director of the North Korea Policy Office of the ROK's National Defense Research Institute, shared the same view as Ms. Bailey. He said: Before the International Atomic Energy Agency (IAEA) carries out effective nuclear examination in North Korea, the concessions made by the United States are dangerous. Perhaps these were based on considerations for the U.S. mid-term elections, which will be held in November, and the issue of the extension of the NPT that the Clinton administration wished to put an end to the talks between the two countries, which had lasted three years, as soon as possible so that it could give an explanation to the voters. Hence, the quick signing of the agreement. "The United States has, in fact, agreed to carry out nuclear inspections in North Korea five years from now. But who knows what will have happened by that time?"

Japan and the ROK Have Misgivings, Russia Disappointed

(Shigeru Akira Takesada) [wu zhen xiu shi 2976 6297 4423 1102], head of the first research office of the Japanese Defense Research Institute, also believes that the agreement between the United States and the DPRK is disturbing and has buried "embers" that could instantly start a fire. The first "ember" lies in that the agreement has not stated the necessity of inspecting the two installations in the DPRK that the IAEA suspected were nuclear facilities. The second "ember" is that the United States has promised to provide the DPRK with economic aid without fully consulting Japan and South Korea first, which reflects great differences in opinion between Japan, the United States, and South Korea. In other words, (Shigeru Akira Takesada) wanted to express such a misgiving: if Japan and the ROK refuse to pay their share or pay as much as the United States thinks is enough, thus causing the United States to fail to honor its promise, the DPRK is likely to turn against them. Takesada's misgiving is not unjustified. The offer that Clinton has made to help the DPRK remodel its graphite- moderated reactors into light-water reactors will cost $4 billion. As far as this is concerned, in the first place, the United States cannot afford this, and next, U.S. domestic law provides that no nuclear facilities and no funds for nuclear-related projects should be given to any enemy state. It is impossible for the European countries, such as Germany, France, and Britain, to finance a project to enhance security in Northeast Asia, so the "bill" will finally be forwarded to Japan and the ROK. $4 billion is not a small figure, and it has already become a pretty heavy burden for these two countries to find the extra-budgetary financial resources to pay the bill.

Anyway, money is a minor thing, as the cost is not so high as to be unaffordable to Japan and the ROK. What has really made Japan and the ROK unhappy is the way the United States handled the matter. Indeed, the Clinton administration deliberately ignored Japan and the ROK's opinions while seeking an agreement. For this reason, when settling accounts in the future, the United States, Japan, and the ROK will have to drive a hard bargain between themselves.

An interesting episode was that during the seminar (Sanarotsin) [5646 4780 5012 6855] from Russia tried to sell Russian-made light-water reactors. When discussing the influence of the DPRK situation on the NPT structure, (Sanarotsin) suddenly said that Russia would be happy to supply safe and reliable light-water reactors if Japan and the ROK had no difficulty in financing their purchase. When hearing this, the more than 30 participants in the seminar were all surprised and confused. A relevant bureau chief from the Russian Foreign Ministry immediately chipped in to say that the light-water reactors should be purchased through competitive bidding among international suppliers. This shows how eagerly Russia wants to have a hand in the DPRK nuclear reactor remodeling project. However, an authoritative source who was present at the seminar told me that the United States had already decided to let the ROK supply light-water reactors to the DPRK. So Russia is likely to be disappointed in this deal. Tokyo, 1 November 1994.

Tokyo International Conference on Aid Opens

OW0811034094 Tokyo KYODO in English 0237 GMT 8 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO—Donor countries and international organizations opened an international conference on aid to Mongolia Tuesday [8 November] to discuss ways to help the Central Asian nation stabilize its shattered economy.

Representatives from 26 donor countries, including six member countries of the Association of Southeast Asian Nations (ASEAN), five international organizations and the European Union are participating in the two-day conference.

Deputy Prime Minister Choyjilsurengiyn Purebdorj heads the Mongolian delegation to the meeting, which Japan has been hosting annually since 1991.

Mongolia won pledges of 155 million dollars in 1991 and 320 million dollars in 1992 and 1993. In the third conference last year, donor countries and international organizations pledged new aid totaling between 150 million dollars and 175 million dollars for 1994 and beyond.

Japan, which has been a top donor since the first conference, is expected to make a pledge of about 6.5 billion yen (650 million dollars) in new aid, a Foreign Ministry source said.

In an opening speech, Parliamentary Vice Foreign Minister Hakuo Yanagisawa gave high marks to Mongolia's reform drive, saying its efforts will be a good model for other former socialist countries in Asia.

Mongolia, a former Soviet satellite, ended seven decades of communist rule in 1990 and has been pushing political and economic reforms to achieve democratization and a market-oriented economy. But the Central Asian country has suffered dire economic hardships since the collapse in 1991 of the Soviet Union, on which Mongolia heavily relied for trade.

Discussions in this year's conference are expected to focus on ways to beef up Mongolia's infrastructure, especially in the energy field, and on eliminating poverty and unemployment, ministry officials said. Unemployment and poverty have grown sharply due to the rapid pace of reform, threatening to unleash great social and political problems on the country.

Japan

Gallucci To Visit Tokyo for Talks on DPRK

OW0811091394 Tokyo KYODO in English 0902 GMT 8 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO—U.S. Ambassador-at-Large Robert Gallucci will visit Japan as early as Thursday [9 November] to discuss establishing an international consortium to provide North Korea with safer light-water nuclear power reactors, a Foreign Ministry spokesman said Tuesday.

Gallucci will visit Japan after wrapping up his trip to South Korea, where he is accompanying U.S. Secretary of State Warren Christopher, spokesman Kishichiro Amae said.

Christopher arrived in Seoul on Tuesday for a three-day visit through Thursday.

Although the United States has already briefed Japan on its landmark nuclear accord signed with North Korea on Oct. 21, further discussions are necessary, Amae said.

The talks will be the first substantial ones between U.S. and Japanese officials about the agreement in which the U.S. promised to organize a consortium to supply North Korea with light-water reactors, replacing its graphite-moderated reactors.

Japan is planning to fund about 20 percent of the estimated 4 billion dollar project. Light-water reactors produce much less plutonium, a key nuclear bomb ingredient, than graphite-moderated ones.

Ministry sources have said Gallucci will meet officials from the Foreign, Finance, and International Trade and Industry Ministries, and the Science and Technology Agency during his stay in Japan.

A top Foreign Ministry official said the government wants an early start to discussions with South Korea and the U.S. over the setting up of the proposed organization for North Korean energy development.

The three-way talks could begin at an official level sometime next week, the official said.

Mieno on Weak Dollar, Uncertain U.S. Elections

OW0811014594 Tokyo KYODO in English 0134 GMT 8 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO—The weak dollar reflects currency market uncertainty over the coming U.S. off-year elections, Bank of Japan [BOJ] Governor Yasushi Mieno said Tuesday [8 November].

Many observers are predicting the Nov. 8 election will end with "severe" results for the administration of Bill Clinton, Mieno was quoted as saying by Trade Minister Ryutaro Hashimoto.

Hashimoto, speaking at a news conference, quoted Mieno as saying the market players have yet to wipe out the perception that the dollar is weak against the yen.

Trade Minister Hashimoto said he raised the currency issue when he met with Mieno earlier in the day during a meeting of economic-related ministers at which Japan's Monthly Economic Report prepared by the Economic Planning Agency was released.

"I wanted to know why dollar-supporting action by the U.S. and Japanese monetary authorities last week did not produce the impact the market wants," Hashimoto said.

"I think the action indicates the strong intention of the two countries to prop up the dollar. But the impact was smaller than desired," he added.

Hashimoto said the dollar's ongoing weakness against the yen must be traced to sales of surplus dollars by speculators.

Japanese corporations also appear to be disposing of excessive holdings of the U.S. currency, he said.

Hashimoto said he regards the current yen-dollar exchange rates as "still serious" for Japanese corporate activity.

The strong yen's negative effects are spilling over not only to export-related companies but to others as well, he said.

The longer the current situation continues, the worse the impact will become, he said.

The dollar sank to a postwar global low of 96.11 in New York last Wednesday. Dollar-buying market intervention by Japan and the U.S. helped push up the U.S. currency slightly.

The dollar is now trading in the lower half of the 97 yen level.

Slocombe Meets Kono, Discuss Security Issues

OW0711075694 Tokyo KYODO in English 0706 GMT 7 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 7 KYODO—U.S. Undersecretary of Defense Walter Slocombe suggested Monday [7 November] that Japan and the United States study ways to cooperate further in global problems such as preventing the spread of weapons of mass destruction and in peacekeeping operations, Foreign Ministry officials said.

In a meeting with Foreign Minister Yohei Kono, Slocombe suggested that Washington and Tokyo should cooperate not only on bilateral and regional problems but also on global issues, the officials said.

During the 20-minute meeting, Slocombe and Kono reaffirmed that the U.S. Administration of President Bill

Clinton and the Japanese Government of Prime Minister Tomiichi Murayama both place importance on maintaining the bilateral security pact, they said.

Slocombe, who assumed the post of the defense undersecretary in September, told Kono the U.S. will continue to maintain its military presence in the Asia-Pacific region and be involved in the region economically, politically and strategically.

Kono and Slocombe agreed that Japan and the U.S. should discuss problems concerning U.S. military bases in Japan and their effects on residents, the officials said.

Kono expressed regret over the crash last month of a U.S. warplane in western Japan. A Grumman A-6E intruder attack aircraft crashed in Kochi Prefecture in mid-October, killing two pilots aboard it.

Turning to a nuclear agreement between the U.S. and North Korea, Kono and Slocombe agreed to continue consulting each other and South Korea, the officials said.

In the accord, signed in Geneva on Oct. 21, North Korea promised to rejoin the nuclear Nonproliferation Treaty (NPT) and to fully implement a safeguard agreement with the International Atomic Energy Agency (IAEA). The pact calls on Washington and Pyongyang to establish liaison offices in each other's capitals.

North Korea declared a halt last Tuesday to construction of two graphite-moderated reactors to implement the nuclear accord.

U.S. Officials Asked To Step Up Base Curtailment

OW0811083694 Naha OKINAWA TIMES in Japanese 8 Nov 94 Morning Edition p 1

[FBIS Translated Text] Tokyo—On 7 November, Director General Noboru Hoshuyama of the Defense Facilities Administration Agency [DFAA] held a news conference on the results of his U.S. visit. In the news conference, Hoshuyama alluded to the prospects for a Japan-U.S. accord on working out a solution to some base-related problems on Okinawa on the occasion of the 50th anniversary of the end of World War II, saying: "Both the U.S. Defense Department in Washington and the U.S. Forces [USF] Pacific Command in Hawaii were well aware of the need for a cutback of U.S. bases on Okinawa. We agreed to try our best to work something out on the 50th anniversary." Referring to the issue of the Yomitan Auxiliary Airfield, Hoshuyama stressed that "some difficult problems remain, but the two nations agreed to seek a solution suitable for the occasion of the 50th anniversary."

Japan and the United States have been working on an early return of Yomitan Auxiliary Airfield since when former DFAA head Yoneyama visited the United States last February. The Japan-U.S. Joint Committee's facilities subcommittee currently has a "special working group on Yomitan Auxiliary Airfield" to seek alternative sites for parachute training and a buffer zone for the Sobe Communications Facilities."

Hoshuyama said: "I asked U.S. officials to step up the comprehensive curtailment of the military bases. I conveyed to them our desire to settle pending issues as much as possible, taking the opportunity of the 50th anniversary to do so." Regarding the Yomitan airfield issue, Hoshuyama said he proposed to "move the parachute field and the buffer zone to separate locations." He added that both Japan and the United States are aware of the significance of the 50th anniversary, and are looking for appropriate settlements to celebrate the anniversary.

With respect to live-fire exercises near Prefectural Highway 104, Hoshuyama requested "better safety procedures and maximum consideration for local residents." In their reply, U.S. officials said that "we will take every possible measure in consideration for the request."

When Hosh?yama proposed U.S. concessions on an early return of Naha Port "considering the difficulties of offering an alternative facility," a U.S. official only mentioned the need for continued efforts by both sides.

Regarding accidents during military training, Hoshuyama requested the reinforcement of safety procedures and disclosure systems. In response, U.S. officials reportedly said that "it is difficult tr? disclose everything due to humanitarian and management concerns, but we will try our best."

During his U.S. trip from 2 to 6 November, Hoshuyama visited such locations as the USF Pacific Command and the Defense Department. In addition, he met with such U.S. leaders as Thomas Ross, special assistant to the U.S. president.

'Full Amount' of Costs for U.S. Bases Pledged

OW0811102194 Tokyo MAINICHI SHIMBUN in Japanese 7 Nov 94 Morning Edition p 2

[FBIS Translated Text] During his meeting with U.S. Defense Secretary William Perry in September, Defense Agency [DA] Director General Tokuichiro Tamazawa remarked on Japan's obligation, stipulated in a Japan-U.S. special agreement, to share the costs for the U.S. Forces in Japan [USFJ]. He said: "We need to request the full amount of the expenses in budgetary negotiations at the end of the year." This was learned on 6 November. Contrary to his remark, the DA has requested only half of the amount covering the planned growth of Japan's share of the costs for the next fiscal year. Explaining what was discussed in the September meeting, the DA quoted Tamazawa as saying: "We will do our utmost to peacefully settle budget negotiations at the end of the year." However, it is apparent from the recent revelation that Tamazawa gave the United States an "official pledge" to request the full amount.

The special agreement between the two countries obliges Japan to shoulder all of the salaries and allowances for Japanese employees and utilities charges at the U.S. bases in fiscal 1995. In setting a ceiling on the budget requests of ministries and agencies in July, the government limited the DA to a 0.9 percent increase over the current fiscal year's budget. Because of this, the DA has requested an 11.8 billion yen [Y] increase over this year's budget to support the U.S. bases, although a Y24.3 billion rise is needed to cover all costs. At the meeting with Perry in the United States on 15 September, Tamazawa said: "We need to request the full amount when the government compiles its draft budget at the end of the year. To prevent the budgetary matter from developing into a political issue, I hope the United States will just wait and see regarding budget negotiations in Japan." In response, Perry refrained from making a strong demand, just saying: "We expect Japan to fulfill its promise." After the meeting, the DA decided not to disclose what Tamazawa told Perry in the meeting, but merely cited his remark: "We are fully aware of the gravity of the Japan-U.S. security pact. We will do our utmost to peacefully settle budgetary negotiations at the end of the year." But the agency did not disclose another remark by Tamazawa, in which he said: "We need to request the full amount." Explaining why the agency did not disclose this remark, a senior DA official said: "We wanted to avoid the remark being taken as a clear commitment to the United States." Another senior official said: "It was our intention to request half of the amount. If we change this position in less than a month, our stance will be questioned."

To be able to fund the full amount of costs for the USFJ, the DA is to cut other expenses. It will propose raising the retirement age of field grade officers as a way to curtail personnel expenses. It will also present factors contributing to cutting the budget, such as fluctuations in foreign exchange rates. The exchange rate the DA used in compiling its budget request was Y103 against the dollar. Since then, the yen has appreciated against the dollar. Because of this, the burden of multiyear payments for major weapons purchases is expected to be reduced by more than Y4 billion. The DA also expects that fluctuations in construction costs and the price of oil used for military exercises will be factors contributing to a reduction in defense spending.

A plan to raise the retirement age of field officers is under consideration. According to a DA estimate, if the retirement of colonel-class officers is postponed by one year, the DA can save about Y8 billion in retirement allowances next year. The agency has used this method for three consecutive years. This year it raised the retirement age of sergeant-class officers. The DA explains that "this method has nothing to do with the special agreement," but, as stated by a senior official, it is generally considered "virtually as a source of revenue."

According to a senior official, the DA thinks that expenses to be saved "will not be subject to government assessment." Thus, it believes that its request for the full amount of costs for the USFJ will be accepted.

SOFA Revision Urged To Solve Base Issues

OW0611144994 Naha RYUKYU SHIMPO in Japanese 31 Oct 94 Morning Edition p 2

[Article by reporter Yoshikazu Shiohira: "U.S. Jurisdiction Over Bases Obstructing Fact Finding"]

[FBIS Translated Text]

"Secret Nuclear Accord" and Japan-U.S. Status of Forces Agreement [SOFA]

Some five months have passed since May, when Kei Wakaizumi (formerly a professor at Kyoto Sangyo University) who acted as former Prime Minister Eisaku Sato's special emissary, published his book ["There is No Other Way"]. It revived suspicions that prior to Okinawa's return to Japan, Sato reached a secret accord [in 1969] with U.S. President Richard Nixon to permit the entry of nuclear weaponry into Okinawa in an emergency. Yet, still now as ever the truth remains shrouded by a veil. In attempting to bring the truth to light, the Okinawa Prefectural Government [OPG] has submitted a formal request for disclosure of facts to the national government; made an inquiry to the then special assistant to the President, Henry Kissinger, who was the representative for the U.S. side; and has sought to conduct on-site inspections of the Henoko and Kadena ammunition storage areas, the two areas at the heart of the nuclear storage controversy. These efforts have all met with little or no success. The national government hides behind the cover of the SOFA, which delineates the administrative authority of U.S. military facilities and areas, and evidences a feeble demeanor toward erasing these serious forebodings. The suspicions and apprehensions of the people of Okinawa regarding the possibility that nuclear weapons are being brought into this land remain unallayed even as the senior officials of Okinawa Prefecture and voices from the Prefectural Assembly demand, "Are you yet again using the SOFA to veil the truth?," and "It is this unequal SOFA which needs to be re-examined."

"An Unjustified Refusal To Let Us Investigate is Unacceptable"

The OPG submitted a request via the Ministry of Foreign Affairs to the U.S. Forces, Japan, for on-site investigations of both Henoko and Kadena ammunition storage areas, but was denied. The day before that rejection was reported by this paper, on 25 October, Tatsuo Matayoshi, director general of the Executive Office of the Governor lamented with a discouraged air. To the OPG, this refusal to permit on-site investigations could only be construed as the equivalent of an admonishment to abandon any hopes of resolving the issue of the "secret accord."

Each time suspicions of nuclear [entry] resurface, the national government stands on form and insists, "As there have been no prior consultations, nuclear weapons have therefore not been brought in." There is a definite lack of will to conduct any independent investigation.

Our inquiries regarding the rejection of the OPG request to conduct on-site investigations of the two ammunition storage areas were given a cold response by the National Security Affairs Division in the North American Affairs Bureau of the Ministry of Foreign Affairs. They noted, "Article Three of SOFA gives the United States the right to control entry onto its facilities and areas. Whether or not to permit entry is decided by the U.S. armed forces. The U.S. side has given no reason for the denial of the on-site investigations, nor are we in a position to inquire further on such matters."

Government Refuses to Investigate, Says "No Secret Accord"

During the Cold War, the U.S. military's nuclear position was expressed as, "we shall neither confirm nor deny the presence of nuclear weapons." This position was based on the idea that such vagueness would itself "serve as a deterrent." It is easy to visualize behind the rejection of the inspection request the remnants of the outmoded perceptions of the Cold War era. However, it is not just the thinking of a few military leaders that blocks the hopes of the people of Okinawa for eradication of these suspicions.

Earlier this year during the May Diet session, Prime Minister Tsutomu Hata responded to interpellations on the "secret nuclear accord" with: "A secret nuclear accord does not exist. Any issues involving the bringing in of nuclear weapons which arose during the negotiations for the reversion of Okinawa have been quite clearly settled between Japan and the United States"; and "To start with, there is nothing to justify an investigation or probe."

Behind the deadlock which meets every OPG effort to erase the suspicions of a secret accord, lies the SOFA.

The SOFA delineates the duties of the Japanese Government in providing facilities and areas for U.S. military use, the authority of the U.S. armed forces to control entry onto such bases, etc. Any time a local government or one of various organizations seeks a return of base lands or compensation for some damage caused by the U.S. forces, this agreement looms as a large wall. Myriad voices from as many arenas charge that the agreement provides "extraterritoriality."

Okinawa Assembly Calls for Revision of SOFA

A recent session of the Tokushima Prefectural Assembly adopted a resolution which sought an immediate termination of low altitude flight training by U.S. military aircraft. The resolution included a clear call for "revision of the SOFA." Moved by the 1985 stabbing murder of a Kin village resident by a U.S. Marine, the Okinawa Prefectural Assembly called for revision of Article 17 of the SOFA which governs jurisdiction over custody of suspects. The call was to revise the current clause which says where the U.S. side has custody of U.S. military personnel, [SOFA status] civilian employees, the U.S. side shall retain custody until such time as suit is filed by the Japanese side.

Each time it receives complaints over the damages caused by U.S. military exercises, the Naha Defense Facilities Administration Bureau insists, "We are not in a position to have a say in U.S. military operations." This merely reiterates the U.S. control over facilities and areas as prescribed in Article Three of the SOFA.

The time is ripening for taking a scalpel to this untenable SOFA to exorcise the problem of the U.S. military presence.

The Japanese Government, in its attempts to dodge criticism from the U.S. for "taking a free ride on the Security Treaty," generously dishes out more "sympathy funding" [Japanese Facilities Improvement Program, Government of Japan Initiative] for the U.S. military presence, overriding Article 24 of the SOFA which says the United States shall bear all expenses of maintaining its armed forces in Japan. In the background is the reality that the greater portion of the burdens caused by the Security Treaty, i.e., the military presence and the suffering caused by that presence which exists because of the SOFA, is borne by Okinawa.

Failure To Challenge the Security Treaty is Flimsy Peace Policy

Albeit belatedly, the OPG is now planning to establish a team to research the problems and issues of the SOFA. Choko Takayama, policy advisor to the governor, says, "It is no longer an era in which we need be victimized by the SOFA," and seeks to break open the deadlocks of the military base issues.

In the Okinawa Prefectural Assembly, Josei Shimoji, chairman of the Military Affairs Committee voiced his doubts over the national government's denial of the existence of a secret accord: "[The national government] should be more forthcoming in meeting the demand for an investigation, and in confirming or disproving the presence of nuclear weaponry. This refusal to investigate has a negative impact on the smooth operations of the Security Treaty." He also emphasized the need for fundamental review of the SOFA, saying: "There is a need to inspect the Security Treaty and the SOFA which are impediments to resolving the problem of the military base presence. If the prefecture adheres to peace policies that do not include studies of military issues nor challenge the contents of the Security Treaty, then those are pretty flimsy peace policies. It is time the assembly formed a non-partisan league of assemblymen for a study."

MHW Dismisses U.S. Magazine's AIDS Report

OW0811081494 Tokyo KYODO in English 0749 GMT 8 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO—The Health and Welfare Ministry [MHW] on Tuesday [8 November] dismissed a U.S. magazine report which said that many Japanese with AIDS are leaving their home country to escape social prejudice and stigmatization. While acknowledging that "discrimination and prejudice against people with AIDS still remain," the ministry said in a statement that "such problems are not limited to Japan."

Correspondent Stan Sesser, in the Nov. 14 issue of the NEW YORKER, reported that "the stigma attached to AIDS in Japan is so great that many people with the disease prefer a lonely death in a foreign land to the shame they would faqe at home."

Sesser's report says many Japanese, afraid of being tested for HIV or AIDS in Japan, are going to Hawaii to be tested at the Waikiki health center where, the report says, the testing program is funded by the Japanese ministry. However, the ministry said just one to two Japanese a month have been tested at the center and that ministry funds are being used for research on AIDS education, and not for the testing program.

"The commissions, which have been provided by (the government-funded) Japanese foundation for AIDS prevention since three years ago, are being used to design methods to spread knowledge about AIDS among Japanese residents of Hawaii and Japanese tourists. They are not being used for testing," the ministry said.

It also denied the article's assumption that there are probably many more people infected with HIV and AIDS in Japan than the ministry's recent announcement of 764, largely due to the extensive secrecy surrounding the disease and its reporting.

"The rate oA diagnosis among people with AIDS is high, since many people have taken tests in Japan," the ministry said in pointing to anonymous AIDS tests being provided by numerous volunteer organizations.

Gap With U.S. in Environment Research Viewed

952A0092A Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Oct 94 p 17

[FBIS Translated Text] Compared to the United States, Japan is behind in the development and use of technology for cleaning up contaminated soil. Although there are environmental standards for 25 items such as cadmium, trichloroethylene, and tetrachloroethylene, there are no legal regulations and cleanup measures are left to the judgment of local governments.

On the other hand, in the United States there is application of the "Super Fund" which stipulates that cleanup of factory and other contaminated soil be carried out with corporations responsible for funding, and there is an obligation to inspect thae soil. For this reason, research on cleanup technology has been active and it usefulness also has been promoted.

In the case of Japan, it is said that there are many cases where corporations consign inspection of the soil at their own company plants to a big general contractor and take measures as necessary. However, the actual state of how much contamination has spread is difficult to discover. Contamination by heavy metals discharged by coating plants and organic chlorine compounds from semiconductor plants is viewed as a problem, and the need for cleanup technology has increased.

Considering that contaminated soil is adjacent to residential areas in Japan, operations assembling large-scale equipment like in the United States is said to be difficult. For this reason, just the introduction of technology from the United Sates is inadequate, and there are many experts who point out that development of independent cleanup methods matching the actual situation of Japan are necessary.

Tokyo To Urge Asia-Pacific Nations To Cooperate

OW0711121494 Tokyo KYODO in English 1135 GMT 7 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 7 KYODO—Japan will propose at the upcoming Asia-Pacific Economic Cooperation (APEC) forum in Indonesia beefing up cooperation among developing countries and industrialized countries in the region, Foreign Minister Yohei Kono said Monday [7 November].

Kono made the remarks in a speech at a symposium hosted by the Association for Promotion of International Cooperation and a Japanese daily, the YOMIURI SHIMBUN.

Kono, who will leave Tokyo on Thursday to attend an APEC ministerial conference in Jakarta, said Japan will call on APEC members to promote such cooperation in the region, taking into account each country's characteristics.

Tokyo will make the proposal in addition to supporting ideas such as fostering small and medium-sized companies and unifying standards and certification systems to facilitate the flow of products and services in the region, he said.

Kono said further that cooperation among countries in the Asia-Pacific region is necessary to promote liberalization of trade investment and to narrow the gap in development among them.

Also during the 20-minute speech, Kono reiterated Japan's pledge to make active international contributions commensurate with its political and economic power.

To stop regional disputes and to solve and prevent problems, he said, Japan will participate in efforts to achieve peace in the world, in peacekeeping operations led by the United Nations and in the fields of disarmament and nonproliferation of weapons.

Foreign Minister Yohei Kono and International Trade and Industry Minister Ryutaro Hashimoto will represent Japan at the APEC ministerial meeting.

In the joint statement, APEC ministers will pledge strong commitment to mutually support infrastructure improvement in APEC, the officials said.

They will also endorse a trade liberalization plan mapped out by the eminent persons group, an APEC advisory body, which set a free trade goal for all goods and services in the Asia-Pacific by 2020.

They will refrain, however, from discussing the proposed 2020 deadline, and instead leave the issue to be addressed at the second APEC informal summit in bogor, the officials said.

In the declaration on human resources, APEC ministers will confirm the importance for Asia-Pacific countries to jointly nurture small and medium enterprises through technical training, education and interchanges of workers and experts, the officials said.

Promotion of human resources development will be in line with a proposal made in the latest APEC ministerial meeting on small companies in Osaka.

The coming declaration will term human resources as "useful treasure for economic development" in the Asia-Pacific region, the officials said.

Unification of trade standards and certificates will be based on recommendations made by the committee on trade and investment, a subordinate organ of APEC.

The committee is now devising a common framework of trade standards, such as simplified tariff-collecting procedures, in line with three principles—harmonization with international standards, reinforcing of the APEC linkage with international standardization organs and pursuit of mutual recognition agreements among APEC members, the officials said.

"A mutual recognition system" for trade standards has been proposed by Japan.

APEC members are also coordinating views on proposed investment principles intended to make the APEC region's investment environment more open.

But they are still divided about whether such principles should be treated as binding or not, the officials said.

The proposed principles, such as the most-favored-nation principle and the principle of national treatment, are designed for nondiscriminatory treatment of foreign investment.

The joint statement will also call for upgrading the ad hoc group on economic trends and issues to a high-level organ in charge of economic matters, especially macroeconomic issues within APEC, the officials said.

Hashimoto Favors Suharto Proposal

OW0811023294 Tokyo KYODO in English 0206 GMT 8 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO—Japanese International Trade and Industry Minister Ryutaro Hashimoto on Tuesday supported Indonesian President Suharto's trade liberalization proposal for the Asia-Pacific region.

Suharto's proposal, to be discussed at the coming informal summit of the Asia-Pacific Economic Cooperation (APEC) forum, calls for the freeing of trade and investment in all goods and services in the Asia-Pacific region by 2020.

"It is significant that such a proposal has been put forward not by advanced countries like the United States and European Union (EU) nations but by developing countries like Indonesia, which has domestic problems that may block free trade," Hashimoto told a news conference.

He said the approach taken by Suharto, the host of the coming APEC summit, is "basically in the right direction."

On the forthcoming APEC ministerial meeting in Jakarta, Hashimoto said Japan will serve as "a coordinator" between industrial countries and developing countries as a means to bridge their differences.

Hashimoto acknowledged a big gap exists between the two groups over key Asia-Pacific issues such as the approach to information infrastructure programs.

The U.S., for example, is far ahead of other APEC members in the area and proposed a very advanced idea during the latest APEC ministerial meeting on small companies in Osaka, inviting a harsh reaction from developing countries, Hashimoto said.

"Japan is in a position to understand the thinking of Asian developing countries. And at the same time, it, as one of the group of seven key industrial countries, can represent their voice," he said.

The APEC ministerial conference, which will be held Friday and Saturday, will precede the second APEC informal summit in Bogor on Nov 15.

More on Support for Free Trade

OW0811085194 Tokyo KYODO in English 0837 GMT 8 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO—Japan is eager to support freer trade and investment in the Asia-Pacific area, a government spokesman said Tuesday [8 November] in an apparent denial of reported opposition.

"Fundamentally, we are going forward in liberalizing trade in the Asia-Pacific region," the Foreign Ministry official said in a briefing on the coming ministerial and summit meetings of the Asia-Pacific Economic Cooperation (APEC) forum in Indonesia.

"Japan can go as fast as possible (in trade freedom in the Asia- Pacific region) as long as plans are realistic and pragmatic," the official said.

The official was commenting on a report carried by KYODO NEWS SERVICE on Monday that Japan and Malaysia are not "totally happy with the timing and other issues called for" in the most recent draft of a declaration to be issued by APEC leaders in Bogor on Nov. 15.

"The report was written without reflecting our position," the official said, describing its content as "totally unrooted."

The draft declaration obtained by KYODO NEWS SERVICE calls for freeing trade and investment in the APEC region by 2020, with immediate action toward that end to be taken from "the very date of this statement."

Quoting informed sources, the latest report said Japan expressed "concern" to Indonesia, the host of this year's APEC meetings.

Trade minister Ryutaro Hashimoto said Tuesday Japan will support an Indonesian initiative to shift the Asia-Pacific region toward a free trade zone.

Tokyo was previously said reluctant to push for quick trade liberalization, apparently taking into account positions of farmers amid the expected opening of the rice market under the Uruguay Round multilateral trade accords.

Textile Workers Want Asian Imports Curbed

OW0811123694 Tokyo KYODO in English 1205 GMT 8 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO—Japanese textile workers appealed to the government Tuesday [8 November] to impose restrictions on imports from other Asian countries under an international agreement providing for emergency safeguard steps, government officials said. The officials said the request was made by the 620,000-strong Japanese Federation of Textile, Garment, Chemical, Mercantile and Allied Industry Workers Unions.

The federation called on the Ministry of International Trade and Industry to invoke a safeguard clause under the 1974 multifiber arrangement designed to protect industries in member nations from an influx of low-priced imports.

It asserted that low-priced imports from Asian countries threaten the domestic textile industry, the officials said.

They said the ministry plans to complete domestic procedures to invoke the safeguard measures by the end of the year.

The federation claimed there were 108 cases of bankruptcies and plant closures during a one-year period from September last year as a result of rising imports from Asia and the strong yen.

About 4,000 workers in the domestic industry have lost jobs, it said.

The federation sought government aid to promote structural changes and prevent the hollowing out of the domestic industry, the officials said.

Tokyo Asked To Expand Investment in Gulf Nations

OW0711100194 Tokyo KYODO in English 0922 GMT 7 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 7 KYODO—Ministers from the six Persian Gulf states asked Japan on Monday [7 November] to step up its investment in these nations, Japanese Government officials said.

Industry and commerce ministers from Saudi Arabia, Bahrain, Kuwait, Oman, Qatar and the United Arab Emirates filed the request in a meeting with Japan's International Trade and Industry Minister Ryutaro Hashimoto. The six countries are members of the Gulf Cooperation Council (GCC).

Prime Minister Tomiichi Murayama, who met the ministers earlier in the day, told them Japan is willing to provide wide-ranging economic aid to the GCC countries.

'Abd-al-'Aziz Bin-'Abdallah al-Zamil, Saudi Arabia's minister of industry and electricity, told Hashimoto that Gulf nations strongly need more Japanese investment, especially in consumer goods, the officials said. Saudi Arabia assumes the GCC's rotational chairmanship this year.

The partnership between Japan and the Middle East on petrochemical projects has deepened since the 1970s but Gulf countries want business ties with Japan to expand more to cover nonpetrochemical areas, al-Zamil was quoted as saying.

Al-Zamil noted Japan's direct investment in the Middle East accounts for only 1-2 percent of the country's global investment.

Hashimoto replied Japan wants to serve as a "catalyst" to promote industrial development in GCC countries, the officials said. But such a role should be led by the private sector, Hashimoto added.

The ministers are visiting Japan to attend the first government-private joint meeting between Japan and the GCC, which opened here for a three-day run until Wednesday as a way to encourage Japan-GCC ties in trade, investment and technological transfers. Previously, the Japan-GCC consultations were held three times on a governmental level only.

During Monday's meeting, Hashimoto and the GCC ministers agreed Japan and the GCC will hold their governmental meeting on a regular basis, at least once a year, up from once in two or three years.

Hashimoto said the semigovernmental Japan international development organization can play a major role in promoting Japan-GCC joint projects.

Japanese investment in the Middle East can be also expected to rise under the leadership of the Japan External Trade Organization, which recently set up a representative office in Saudi Arabia, Hashimoto said.

Murayama Promises Aid

OW0711063794 Tokyo KYODO in English 0611 GMT 7 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 7 KYODO—Prime Minister Tomiichi Murayama told industry ministers from six oil-rich Persian Gulf states Monday [7 November] that Japan is willing to give them wide-ranging economic aid, government officials said.

"We would like to give help to industries other than the oil industry in the Gulf area," Murayama was quoted as saying.

The prime minister met with industry ministers from the six member countries of the Gulf Cooperation Council (GCC)—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. Among the ministers were 'Abd-al-'Aziz Bin-'Abdallah al-Zamil, minister of industry and electricity of Saudi Arabia.

Murayama noted that the Gulf region is an important area on which Japan relies for more than 70 percent of its crude oil needs.

The officials quoted the prime minister as saying he recognizes the GCC as a stabilizing factor in the region.

Al-Zamil expressed gratitude, saying he gives high credit to Japan's support for multinational efforts to liberate Kuwait from Iraqi forces in the 1991 Gulf war.

The Saudi Arabian minister expressed hope that Japan will help in such development areas as the desalination of seawater, the officials said.

More on Japanese Investment

LD0711205694 Riyadh SPA in English 2000 GMT 7 Nov 94

[FBIS Transcribed Text] Tokyo, Nov 7, SPA—Eng. 'Abd-al-'Aziz al-Zamil, the Saudi minister of industry and electricity who is leading the delegation of the Gulf Cooperation Council to the first conference of the Japanese/GCC businessmen conference, said on Monday that the basic goal of the conference is to promote the Japanese investments in GCC countries.

Addressing a press conference, al-Zamil said the presence of six GCC ministers, many officials and more than 180 of businessmen reflects the paramount importance being attached on growing ties between Japan and the GCC member countries and the pioneering role of the private sector to realise the goal. He expressed satisfaction that the Japanese side has now started being attached by the GCC countries on cooperation between the two sides in the non-oil industrial sector.

"Despite the fact that Japan is one of the most powerful industrial nations, yet the trade balance is now leaning to the interest of the GCC countries which export commodities with a total value of 25 billion and imports Japanese items worth 10 billion. most of the GCC exports to Japan comprises of oil and oil products and the petrochemicals are the only industrial products being imported by Japan from the GCC states." he said

Al-Zamil said the GCC states exported petrochemical products to Japan with a total value of 250 million while most of the Japanese exports to the GCC region are classified as industrial ones.

To preserve its share in the international market, al-Zamil added the Japanese should increase their industrial investment in the Gulf region. He cited a number of possible fields in which the Japanese could invest including consuming manufactures, automobile and heavy equipment spare parts, house-ware and metal products and said studies were now underway for implementation of a number of such joint ventures.

The Saudi minister cited the current tour to the Gulf region by Crown Prince Naruhito and expressed confidence that the visit will further cement ties between the two sides.

He said the Kingdom of Saudi Arabia has decided to set up a petroleum refinery in Japan like those set up earlier in the USA, South Korea and Philippines.

Referring to the position of the GCC countries on taxes imposed on petroleum and energy, al-Zamil expressed hope that such taxes would not be imposed in view of the current decline of oil prices and said the imposition of such taxes would certainly deprive the oil customers of the concerned countries from declining oil prices. Eng al-Zamil said the Japanese side has increasingly realise the profitable investment opportunities in the Gulf region and started to consider the establishment of more investment projects in the [word indistinct].

Citing the progress accomplished by the national industrial firms al-Zamil said all the electrical equipment were Japanese or European made 15 years ago and the share of foreign companies went down from 35 percent to only two percent in the Saudi market thanks to the role of national factories in recent years. He said the Japanese side has started to collect data and know quite well that the existence of obstacles, if any, does not mean that the investment in the region is not profitable.

Referring to the commercial exchange with Japan, mainly oil for technology, al-Zamil stated that in view of the tremendous success realised by the GCC petrochemical industries, the Japanese side started to increase its investment in this field particularly in the Kingdom of Saudi Arabia where the investments of the two countries reached 1.5 billion in 1970-s.

Answering a question on whether negotiation with the Japanese side were made collectively or on individual level, al-Zamil said that there are official meetings between the GCC and Japan along with working-teams assigned to review various policies.

As for certain industrial schemes, al-Zamil added, discussion is being conducted throught the private sector of the concerned country. He expressed satisfaction over the current level of cooperation between the GCC states and Japan and said the kingdom and Japan will start dialogue on Thursday with to accelerate the Japanese industrial investment in the kingdom.

Companies' Inroads Into PRC Market Reported

OW0811063094 Tokyo EKONOMISUTO in Japanese 25 Oct 94 pp 64-67

[Article by EKONOMISUTO editor Masakazu Uchino: "If Foreign Companies Want To Succeed in China, They Have To Think on the Run"]

[FBIS Translated Text] "This development zone is full of promise," Chinese senior leader Deng Xiaoping said, when he visited the Tianjin Economic and Technological Development Zone in 1986. This phrase, which clearly indicates China's eagerness to pursue economic liberalization and market-oriented reforms, is carved in large characters on the wall of the entrance hall of the development zone office.

Tianjin is about 120 kilometers from Beijing. It only takes 90 minutes to reach Tianjin by highway from Beijing. The economic and technological development zone is about 60 minutes' drive from the center of the city. A vast salt field is being transformed into a huge industrial park that will cover a total area of 33 square kilometers. Construction began in 1984, and a total of 10 square kilometers are now finished. Tianjin aims to develop its industrial infrastructure by attracting foreign investment. Therefore, foreign companies investing in the Tianjin Development Zone enjoy the same type of preferential treatment as those investing in the five special economic zones (which are located in Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan). For instance, foreign firms can procure land at inexpensive prices. They also receive preferential tax treatment.

Some foreign investors fear that China might fall into a period of political instability after Deng Xiaoping, the promoter of economic reform and liberalization, dies. Despite such apprehension, the Chinese economy continues to grow rapidly, attracting massive foreign investment.

China's third foreign investment boom started in 1991, two years after the Tiananmen Square incident. The flow of foreign money was further accelerated after Deng Xiaoping vigorously encouraged continued economic reforms during his visit to Guangdong Province in early 1992. In 1992, direct foreign investment in China totaled 58.1 billion dollars on a contract basis. The following year, the amount almost doubled, reaching 110.9 billion dollars.

Foreign direct investment also increased considerably in Tianjin after 1992. In 1993, it amounted to $1.2 billion. In all, some 1,700 foreign companies invested a cumulative amount of about $2.5 billion in the Tianjin Development Zone between 1992 and 1993. If we also count companies that provide only technical assistance, the total number of foreign firms taking an active part in this zone amounts to 2,500. Although the South China economic zone tends to attract more public attention, the Tianjin Development Zone Management Committee is full of confidence. "The center of industrial development is gradually moving from the south to the north, creating what we are calling the Pohai Economic Zone," said Tian Guiming, a committee member in charge of public relations.

"The Last Huge Consumer Market in the World"

Why have overseas investments increased so rapidly in China? In addition to being given numerous preferential measures, foreign companies are investing in China for the following reasons: They are aiming at its potential market; they have been strongly encouraged by China to increase their investments; they want to establish their corporate images in China; they expect to make good use of China's labor, which is abundant, inexpensive, and good in quality; and they want to utilize China's abundant raw materials. With its population of more than 1.2 billion, China is said to be the "last huge consumer market in the world."

Despite this trend, Japanese companies are only cautiously increasing the pace of their investments. This is why Tianjin does not seem to be quite satisfied with Japan. Hong Kong is the leading overseas investor in the Tianjin Development Zone, followed by the United States and Taiwan. In terms of the number of investors, Japan still ranks fourth, but in terms of investment volume, it was surpassed by South Korea in 1993. South Korea and China concluded an agreement for investment protection in May 1992. Diplomatic relations between the two countries were normalized in August of the same year. Moreover, South Korea has recently agreed to construct a Korean industrial park in the Tianjin Development Zone. The construction project is led by a South Korean public corporation for land development. Meanwhile, other countries like Germany, Sweden, and Singapore are also planning to construct their own industrial parks in the same area. This is why Tianjin entertains great hopes that Japan will follow suit, and this is also why it is dissatisfied with Japanese companies' cautious attitudes.

Such Japanese companies as Yamaha Corp. and Yazaki Corp. are already operating factories in the Tianjin Development Zone. Why did they choose this area?

Tianjin Yamaha Electronic Musical Instruments Limited Corporation went into operation in April 1990. It mostly manufactures electronic keyboards for the domestic market. As an assembly industry, the manufacture of electronic musical instruments requires various related industries that can provide a certain level of production. When Yamaha Corp. previously conducted a feasibility study, it found that the industrial level of Shanghai was higher than that of Tianjin. Nevertheless, Yamaha Corp. decided to set up its subsidiary in Tianjin because the city had shown greater interest. At that time, Shanghai had already attracted many big businesses, including Germany's Volkswagen. In other words, Shanghai was already accustomed to receiving foreign companies, while Tianjin was more friendly and more enthusiastic, according to Yamaha Corp.

Meanwhile, Tianmei Automotive Wiring Limited Corporation, in which Yazaki Corp. has a major interest, manufactures wire harnesses for automobiles. "Tianjin's inexpensive labor is very attractive, because our industry is labor-intensive. Moreover, there is an exporting port nearby. These are the reasons we decided to set up our factory here," said Mikio Suzuki, chief executive of Tianmei Automotive Wiring.

Another advantage of the Tianjin Development Zone is the quality of its infrastructure, which is relatively good. "Power failures are very common in China. They occur almost weekly. But this is not the case in Tianjin," said Chen Bianhui, chief executive of Motorola Electronics Limited Corporation. Wang Yaohua, chief executive of Computer China Limited Corporation, in which the U.S. personal computer maker A.S.T. has a major interest, also said confidently that the level of Tianjin's infrastructure, including telecommunications, transportation facilities, and power and water supplies, is quite acceptable.

In Tianjin, both Motorola and A.S.T. manufacture products for domestic use. For them, the most important fact is that they have set up a manufacturing base inside China's "huge consumer market." Apart from batteries and packing materials, they import all necessary parts from Southeast Asia. They do not expect local manufacturers to be able to supply them with electronics parts. U.S. companies are counting on China's potential, while ignoring its weak points for the time being. In other words, their policy is to value China's merits first and to think of its problems later.

Unlike U.S. companies, Japanese manufacturers cannot treat China's problems lightly, although they unanimously admit that the Chinese market is very attractive. Mikio Suzuki of Tianmei Automotive Wiring complains about the level of local industries. "Many local manufacturers want to sell us their electric cables. But we cannot use their products because of the poor quality. For instance, locally made cables are often distorted. Apart from packing materials, it is not possible to procure parts from local suppliers," Suzuki said.

Obstacles to a Market Economy

Chinese people are said to be proficient in replicating samples. According to Suzuki, the problem is that they do not easily understand the concept of standards. Under a new policy, China will allow foreign companies to acquire stakes in Chinese automakers by 1996. "China has finally begun to understand that it is necessary to manufacture good automotive parts in order to produce good passenger cars. But it is still doubtful whether China will be able to make high-quality auto parts," said a representative of a Japanese auto parts manufacturer, who resides in China. Chinese people do perfectly what they are told to do. When they are asked to make such-and-such things in this amount, they are capable of reproducing the products in the needed volume. However, they do not care at all about whether their products are standardized, or whether their products are marketable. Chen Bianhui of Motorola Electronics recognizes this disposition as a problem of Chinese people. However, he added, "But I think the situation will gradually change, because people's indifference to quality standards is the result of the past system that required workers to just follow instructions from above."

Meanwhile, there is no guarantee that Tianjin's labor will remain inexpensive. This spring, Tianmei Automotive Wiring had to increase its workers' wages by an average of 40 percent. As for Yamaha Electronic Musical Instruments, its workers obtained a 30 percent raise. (However, these wage hikes are still lower than those in Shanghai or Beijing.)

Foreign companies are forced to increase wages not only because of inflation, but also because this is the only way to secure workers (Chinese people tend to change jobs readily for better circumstances). One of the repercussions of these wage increases is that Chinese workers earning higher-than-average wages have begun to invest in stocks or to buy condominiums constructed by foreign-affiliated companies on speculation. This is unusual, because Chinese people usually put their savings in banks. Moreover, this phenomenon bears a resemblance to the so-called Japanese economic bubble.

Another problem is the pay differential between workers employed by foreign companies of the development zone and those working for Chinese firms in the surrounding areas.

As mentioned earlier, some foreign investors are anxious about the possible political instability that might occur after the death of Deng Xiaoping. Meanwhile, Chinese people think that there will be no turning back from the path of economic liberalization and market-oriented reforms. However, the more we become familiar with China, the more China's weak points become conspicuous. As Wang Yaohua of Computer China said, if a foreign company wants to succeed by speculating on China's consumer boom, there is no way but to "think on the run."

Article Views Tokyo-Pyongyang Negotiations

OW0711070794 Tokyo MAINICHI SHIMBUN in Japanese 5 Nov 94 Morning Edition p 2

[Unattributed article]

[FBIS Translated Text] Following a U.S.-DPRK agreement concerning the DPRK's suspected nuclear development, Japan has shifted its diplomatic concern to the issue of resuming its negotiations with Pyongyang on normalizing diplomatic relations. Japan has recently announced that "Japan can resume the negotiations without attaching any conditions" (as stated by Hiroshi Kawashima, chief of the Foreign Ministry's Asian Affairs Bureau). Meanwhile, the DPRK has informed Japan via various diplomatic channels of its hopes to resume the talks. Although it does not seem that it will be easy to resume the talks, there is a growing view that the resumption of the talks is a matter of time because of the forward- looking attitudes of both sides. At present, a move by the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ] and Sakigake is gaining momentum toward dispatching a delegation of the ruling parties to the DPRK. But as the end of the year draws nearer, it seems that official and unofficial contacts will be made at the government level.

Creating the Environment for Talks

With the ruling parties taking the initiative in breaking the impasse in the deadlocked talks by sending the delegation, a move toward resuming the Japan-DPRK negotiations has surfaced. When the ruling parties' idea of sending a delegation to the DPRK was proposed, the Foreign Ministry indicated a watchful attitude, saying: "Generally speaking, the dispatch of the delegation may be helpful. But it may not be a good idea for the Foreign Ministry" (according to Vice Foreign Minister Kunihiko Saito). Underlying such a watchful posture is that the Foreign Ministry has learned a lesson from a visit to Pyongyang in September in 1990 by members of the LDP and the SDPJ, including former Deputy Prime Minister Shin Kanemaru, who signed a joint statement with the Workers Party of Korea [WPK].

The joint statement enabled Japan and the DPRK to begin talks on normalizing diplomatic relations. However, the Foreign Ministry, in fact, hoped to start the negotiations after accumulating working- level contacts, and believes that the ministry was forced to start the negotiations in the form of a top-down order.

In connection with the issue concerning compensations and claims, which is the main topic of the negotiations, the joint statement includes an article on "Post-War Reparations." The Foreign Ministry considers this a handicap for the Japanese side. The ministry also thinks that the LDP-SDPJ delegation's conclusion of the joint statement in 1990 was diplomatically irrational because the joint statement does not refer to the "nuclear issue."

Competitive in Taking the Initiative

With the progress in U.S.-DPRK relations, promoting the Japan-DPRK negotiations has become an urgent task to be carried out. The Foreign Ministry is increasingly concerned that before the inter-government talks, the delegation would possibly conclude some sort of a joint statement, again for the purpose of "protecting the national interest."

In late August, preliminary contacts between the Japanese and the DPRK governments were made in Beijing. Meanwhile, the DPRK made moves toward seeking high-level talks with Japan. Those moves were signs of a readiness to promote bilateral talks "after an agreement" is reached between the United States and the DPRK. Reacting to politicians' moves toward sending the delegation to the DPRK amid the government's working-level efforts, Foreign Ministry officials said: "We wonder what the purpose of the ruling parties' dispatch of the delegation to the DPRK is."

However, a senior ministry official said that "we cannot tell dietmen not to visit Pyongyang," and in view of this, the Foreign Ministry has adopted a strategy to check the ruling parties' move. The Foreign Ministry, together with the ROK, applied pressure on the ruling parties, and a cautious view on the dispatch of a delegation has appeared within the LDP. Meanwhile, Chief Cabinet Secretary Kozo Igarashi announced at recent talks with ROK President Kim Yong- sam that "the ruling parties would consult with the ROK when studying the dispatch of a delegation to the DPRK." In view of those developments, "conditions of not making political commitment beyond the government's policies have been attached" to the dispatch of the delegation (according to a related source). A prevailing view is that there is little room for the ruling parties to display their own capability as political parties.

However, in the past, political parties have taken the initiative in promoting Japan-DPRK relations. Although it entertains some apprehension about Pyongyang's move, the Foreign Ministry, in a sense, has no choice but to see a visit by the ruling parties' delegation as serving a role in the resumption of the negotiations.

Without Waiting for the Improvement of North-South Ties

A Foreign Ministry source said that "when resuming talks with the DPRK on normalizing diplomatic relations, we do not need to wait for the improvement of relations between South and North Koreans," and that "as a plan to construct light-water reactors takes shape, the necessity of a North-South dialogue will increase."

Before resuming the negotiations, Japan needs to take the ROK's position into consideration. But the Foreign Ministry does not think that Seoul's position will impede the resumption of the Japan-DPRK talks. Although it is said that so far, "a Japan-DPRK contact has not yet been made" even after the United States and the DPRK reached an accord (according to a top Foreign Ministry leader). But even if the Japan-DPRK negotiations are resumed, prospects for the talks are bright, because a breakthrough in the "nuclear issue" has been made. A senior Foreign Ministry official said that "during the talks held eight times in the past, the idea of setting up liaison offices of both sides in Japan and the DPRK was raised on and off." As for the issue concerning compensation and claims, which is the biggest pending issue, there is a view that "we need to make a political decision on the scale of the Japan's economic cooperation with the DPRK, keeping Japan's economic relations with the ROK in mind" (according to a senior Foreign Ministry official).

Kim Yong-sun on Japan-DPRK Normalization

OW0811073294

[FBIS Editorial Report] Tokyo TBS Television Network in Japanese at 1415 GMT on 7 November, in its regularly scheduled "Tetsuya Chikushi's News 23" program starting at 1400 GMT, carries an 8-minute live report by reporter Hiroyuki Iwaki in Pyongyang via satellite hookup. Reception is good.

Reporter Iwaki says his camera crew interviewed Korean Workers Party [KWP] Secretary Kim Yong-sun, one of Kim Chong-il's closest associates, in a Pyongyang hotel earlier in the evening. Video briefly shows Kim Yong-sun in the "exclusive interview," but voice is not given. Iwaki says that in the interview Kim Yong-sun discussed Japan-North Korea relations at length, and Kim passed to the TBS crew a written statement issued in the name of the "chairman of the Korea Asia-Pacific Peace Committee."

According to reporter Iwaki, the statement, written in Korean and translated into Japanese by the TBS crew, is as follows:

"Questions on [North] Korean-Japanese relations should be given to Japan. This is because Japan is fully responsible for the suspension of the Korean-Japanese negotiations.

"In the past argument, Japan attached importance to other countries' pleasure rather than the improvement of Korean-Japanese relations, and brought up unreasonable claims and questions which are not related to the objective of the normalization negotiations. This is why the negotiations have long been suspended. If Japan is going to take the same attitude toward the bilateral dialogue from now on, we have to say we are not interested in such fruitless talks.

"Regarding the three-party joint communique [by the Liberal Democratic Party—LDP, the Social Democratic Party of Japan—SDPJ, and the KWP] which was declared to people of the two nations and the entire world, some quarters in Japanese political circles are trying to give their own interpretation, and some others even say the communique should be ignored. These are not tolerable attitudes." Without finishing the reading of the statement, Iwaki changes topics to another point in the interview.

Reporter Iwaki says he asked Kim Yong-sun when Kim Chong-il would be formally inaugurated as the president of North Korea. In reply, Kim Yong-sun reportedly says: "The people have already installed him as their supreme leader, and it is meaningless to discuss when he officially assumes the presidency." Iwaki says it is his impression that the North Korean leadership intends to take more time for the official empowerment for a "soft-landing."

Following the live report, Toshimitsu Shigemura, MAINICHI SHIMBUN editor who joins the program as the main guest, says the following in a TBS studio in Tokyo: "This is the first time a senior official of North Korea has mentioned the favorable direction of Japanese- North Korean negotiations. In short, his true intention is to reopen the negotiations, although his statement was in a quite strong tone."

As the keys to reading the statement, Shigemura calls for attention to four points:

"As the first condition, he noted that Japan brought up unreasonable questions. These include the suspicion of North Korea's nuclear weapons development and the issue of Yi Un-hye and other missing Japanese citizens.

"Second, he called for Japan's independent standpoint. This is a message that North Korea does not want Japan to bring up proposals from the United States and the ROK, such as development of the North-South dialogue and the nuclear issue.

"Regarding the three-party communique, we should pay attention to the fact that the statement mentioned the spirit of the communique. This means North Korea is not urging full implementation of the communique.

"In conclusion, the statement advoc!?ed faithful dialogue. It is extremely noteworthy that North Korea stressed dialogue in the end of the message."

ODA 'Dango,' JICA's Secrecy Criticized

952A0027A Tokyo EKONOMISUTO in Japanese 24 Sep 94 pp 68-69

[Article by Kazuo Sumi, Niigata University rofessor: "International Version of Suspicions About General Contractors Guarded by Secretiveness"]

[FBIS Translated Text] *On 6 September the Fair Trade Commission did on-site inspections of 30-odd companies including the Mitsubishi Corporation, saying they did repeated 'dango' [bid rigging by collusion] on materials and equipment for official development assistance (ODA). Why does not dirty aid go away?*

Arrangements Giving Rise to Suspicions

Questions of improprieties involving ODA are nothing new. In 1986 an incident of corruption emerged in which an employee of the Japan International Cooperation Agency (JICA) accepted a bribe from a consulting firm so as to facilitate its receiving orders. Also in the questions emerging that same year about Marcos, the structure of Japanese business's close bonding to the local government became an issue. However, the Marcos suspicions was smothered without being fully clarified. That foreshadowed the problem this time.

The bilateral aid that Japan provides directly to other nations is divided into grants and loans (yen loans). The grants divide into gratuitous aid and technuological aid. The project-type technological aid that brought on the suspicions of 'dango' this time combines both technological aid and gratuitous aid so that it links together organically the three elements of sending technicians, receiving trainees, and providing materials and equipment. It is in connection with getting orders for materials and equipment that the suspicions of 'dango' arose.

That suspicions of such 'dango' generate because there are problems in ODA arrangements themselves. "Grants" sounds fine, but those who can receive orders are strictly Japanese companies. In short, it is tied aid (with a string attached).

Moreover, recipient nations do not have grant funds handed to them directly as cash. The Japanese Government deposits them into accounts in the name of those recipient nations, and they procure items, services, and so forth from Japanese firms with those funds. Consequently, cash does not move from Japan. Because of that, the Japanese firms that have received orders contracting for goods and services can receive payment for certain from the specified bank once they complete a shipment or a construction job. Consequently, there is no other business so stable or with so low a country risk.

Besides this, what distorts ODA is that many aid cases are being brought in by Japanese trading companies, consulting firms, and so on. Such searching out of aid cases is called "project finding"—"pro-fi" for short. And, industrial groups are even organized for this purpose. They are those such as the 'overseas consulting business association,' 'overseas agricultural development consultants association, 'international construction technology association,' o'verseas transportation consultants association, and the 'overseas communication and broadcast consulting association.' These industrial groups are being granted subsidies respectively by the Ministry of International Trade and Industry [MITI], the Ministr of Agriculture and Fisheries Ministry [MAFF], the Ministry of Construction, the Ministry of Transportation, and the Ministry of Posts and Telecommunication.

Such subsidies are being counted in as ODA. ODA funds are used to search out profitable jobs for Japanese business. Besides, these industry bodies also become the post-retirement employment distination for officials of the relevant government offices. The results of project finding are presented to the recipient nation and the Japanese Government. In this way the lists of cases are made up under the care of the Japanese Government. Because the aid is on a single-year basis, the attractive cases are selected from these lists. Politicians sometimes become involved in this process.

Meanwhile, trading firms and consulting firms work to get recipient nations to make requests for aid. At times, they even prepare the documentation so that to facilitale the approval of the Japanese Government. During this process the bribes are flying about.

Thus, when aid requests are made by a recipient nation, a development survey will be conducted by JICA. The development survey is conducted gratis as technological aid. However, since JICA does not have a survey capacity, in most cases development surveys are consigned to consulting firms. In exceptional cases, JICA itself will organize a survey team; however, even then staff members of consulting firms will be mobilized as survey teams. At this stage information on "an excellent case" is piped directly to general contractors.

Too Secretive

When the development survey ends, official documents are exchanged with the recipient nation and bidding is conducted by JICA. This bidding process is never made public. Such information as what sort of companies made bids or what the amounts were of their respective bids is never revealed to the outside.

In the course of this opaque and closed bidding, 'dango' among the trading firms, general contractors, and others has come to be an everyday affair. The suspicions about ODA 'dango' this time are nothing but the tip of the iceberg. Therefore, the matter does not simply stop at project-style technological aid. It is a structural problem with ODA overall, extending even to gratuitous aid as well as yen loans.

What is being questioned in connection with the bidding system is not the sort of problem whereby it would be enough simply to change the system of private competitive bidding over to a general competitive bidding system. At a minimum, the whole bidding process should be open to public view so as to be convincing to the taxpayers.

Besides this, all information bearing on ODA should be released. The Ministry of Foreign Affairs gives the following explanation as to why information on ODA is not released: "What must be kept in mind particularly when information on ODA is made public is that among the various kinds of information is some which the government of the aid recipient nation wishes to have kept secret and has not agreed to have publicized, that in order to do the bidding on aid fairly, there is some information which it is not appropriate to release for a set period of time, and that there are parts such as contracts and know-how that are treated as private citizens' secrets." (*Wagakunino Sefu Kaihatsu Enjo* [Japan's ODA] Vol 1, p. 52, 1990, published by Foreign Ministry's Economic Cooperation Bureau).

However, this is nothing but a cynical argument to protect the interests of the corrupt regime swarming about Japan's ODA and of the Japanese businesses currying favor with that regime. There would be no inconvenience of any sort for the Japanese public and the local people in releasing all information on aid cases and conducting bidding in an open manner. In fact, that would be more desirable.

With this latest incident, there is a need to work out a thoroughgoing reform of ODA. What are needed as a minimum to that end are thoroughness in releasing information, instituting a basic law on assistance, changing over from a top-down formula to a bottom-up formula for aid, creating a survey research agency, perfecting an environmental assessment system, and establishing guidelines on involuntary resettlement and on aboriginal peoples. Unless these measures are implemented, ODA will only strew the structures of corruption throughout the world and will be despised by local inhabitants, and therefore, it will be better to cease ODA.

NHK Panel Discusses Deregulation, Survey

OW0711135694

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 1332 GMT on 7 November, during its special program entitled: "Japan's Choice—How Should the Nation Deal With Deregulation?" carries a live, 25-minute discussion on reasons why deregulation is not promoted smoothly in Japan. Taking part in the discussion are Kazuo Inamori, chairman of Kyocera Corporation; Iwao Nakatani, a professor at Hitotsubashi University; Harumi Sakamoto, and executive of Seiyu Ltd. and a former official at the Ministry of International Trade and Industry; Takako Hirano, a lawyer; Katsuta Uchihashi, an economic commentator; Kazuo Yawata, counselor at the National Land Agency [NLA]; Koichi Kato, chairman of the Liberal Democratic Party's [LDP] Policy Research Council; and Kansei Nakano, chairman of opposition parliamentary group Kaikaku's Policy Council. The discussion is moderated by NHK commentator Nobutaka Fujita.

The discussion begins with Fujita asking the participants what prevents deregulation in Japan. Professor Nakatani points out that Japanese people, although they support deregulation, want regulations beneficial to them. He urges the public to change this mindset, and also notes that the government tends to decide not to allow deregulation in some areas if it is likely to deal a heavy blow to concerned ministries and private companies. He stresses: "Review of the government's decision-making structure is essential to promoting deregulation." Disagreeing with Nakatani, NLA Counselor Yawata says: "Government officials exercise prudence in doing things. They are also cautious about adopting new regulations, so I do not think they are taking a cautious approach toward deregulation just for their own interests." Meanwhile, Sakamoto and Hirano blame politicians for lack of leadership and for being reluctant to promote deregulation, urging them to take the initiative in fostering deregulation.

The results of a NHK poll on deregulation are disclosed during the program. The poll found that 34 percent of viewers questioned say politicians are to blame for slow deregulation, another 34 percent think bureaucrats are to blame, 23 percent criticize private companies, and 8 percent blame the general public. Commenting on the results, Kaikaku's Nakano says: "All these four groups should take responsibility for deregulation. If they place the blame on each other, deregulation is impossible. Everybody should make efforts and assume responsibility." The LDP's Kato touches on the mindset of the Japanese people, noting the need for the general public to take responsibility for deciding which regulations should be abolished or maintained. He adds: "Politicians should judge what should be deregulated without being influenced by bureaucrats' views. If they fail to do so, they are to blame." Nakano also notes: "We politicians often say we will carry out the policy of giving priority to consumers; the people first policy. I think whether or not we can keep this pledge will influence deregulation." After stressing that bureaucrats should think about deregulation from the viewpoint of the public, Nakano says: "The most important thing is for politicians and people to make the best use of bureaucrats' abilities for deregulation." Yawata agrees with Nakano, saying: "It is absolutely necessary for bureaucrats to feel they should do something." Imamori, Sakamoto, and other private sector participants note the need for industries to have the courage to accept deregulation, and the need for the people to closely monitor the government's deregulation efforts.

Tight Rules Said To Hinder Risk Management

OW0811120794 Tokyo KYODO in English 1037 GMT 8 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO—Japan's highly regulated financial market is contributing to weak risk management both at banks and companies, a Finance Ministry study group said Tuesday [8 November].

Some panelists pointed out the problem at a second meeting of the group in discussing derivatives and other advanced financial products, a ministry official said in a briefing on the session.

The group under the Financial System Research Council, an advisory panel to the finance minister, held a hearing with senior private bank officials over strategies taken in the United States and Europe.

Given reports by the officials on flexible measures taken by both regulators and private bank managers, some group members commented that Japanese banks had no need to improve risk management in Japan's highly regulated market, the official said.

Against this backdrop, he said that some members also pointed out that the idea of self risk management failed to spread among financial officers at trading houses and other companies.

The group agreed to continue intensive discussions, inviting bank officials and corporate financial officers to their next meeting on Nov. 18 to report on their strategies amid progressing financial deregulation and internationalization, the official said.

At meetings late this month or early next month, he added that the group plans to invite bank and company officials to discuss particularly the globally expanding financial derivatives.

Derivatives are such instruments as swaps and options used to hedge currency and interest rate risks.

The group also intends to send a study mission overseas next year, the official said.

Deregulation To Boost Agricultural Imports

OW0811120894 Tokyo KYODO in English 1043 GMT 8 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO—Farm trade decontrol under the Uruguay Round agreement reached last Decem?er will boost Japan's imports of dairy products in the next decade, hurting the domestic industry, a farm group predicted Tuesday [8 November].

The National Federation of Agricultural Cooperative Associations (Zenno) said the nation's self-sufficiency in dairy products will drop 10 to 20 percentage points in the year 2003, compared with the 1993 level, because of rising imports.

According to Zenno's projection, domestic production in 2003 of beef, will be 99 percent against 100 for 1993, that for pork will be 79 and for chicken 73 percent.

The import volume of pork will increase 31 percent, beef 61 percent and chicken 78 percent because of lower prices resulting from tariff cuts, the federation said.

As a result, it said Japan's self-reliance in beef supplies will slump to 38 percent in 2003 from 50 percent in 1993, while the rates for pork and chicken will drop to 57 percent and 50 percent respectively from 69 percent and 71 percent, the federation said.

It said domestic consumption of beef will grow 30 percent toward 2003 because of declining prices of imports but that of pork will decline 5 percent.

Rising competition from imports will drive domestic farmers out of the industry, the federation said.

Takemura, Finance Ministry Wage Tax Reform 'War'

OW0711050294 Tokyo BUNGEI SHUNJU in Japanese Nov 94 pp 112-119

[Article by economic journalist Nobuhito Kishi: "The 300-Day War on Tax Reform Between the Finance Ministry and Takemura"]

[FBIS Translated Text] On 22 September, the government and the ruling coalition parties officially decided on an outline of reform for the taxation system. A 5.5 trillion yen tax reduction will be attained by revising the system, which will permanently reduce taxes in the amount of 3.4 trillion yen and another 2 trillion yen at fixed rates, while the consumption tax rate will be raised to five percent beginning in April 1997. Other major points are the creation of a local consumption tax, abolishing the current consumption gift tax, and so on. The government hopes to get the bill through the Diet by the end of the year. Commenting on the outline, which was decided on after much fussing, a leading Finance Ministry official said: "Tax reforms in Japan will benefit most of the people in the mainstay income brackets, centering around the so-called salary earners. During the predecessor coalition government with Rengo and the Japan New Party at the core, which was supported by urban-type salary earners, it rushed and pushed its tax reduction plan with little hope that it could be carried through. On the contrary, the present ruling coalition parties centered around the Liberal Democratic Party (LDP), the Social Democratic Party of Japan (SDPJ), and Sakigake (Harbinger) supporting foundation consists of anti-tax farmers and small and medium independent entrepreneurs. So it could well be said that the present government is the most negative regime when it comes to tax reform. On top of the fact that we have to face such a new government, it was really a grueling battle for us because of the confrontation between the Home Affairs Ministry and the Finance Ministry and between men of political parties and men of bureaucracy."

On the day of his appointment as finance minister, Masayoshi Takemura, chief Sakigake representative, made an admonitory speech before the tense Finance Ministry personnel, who were meeting the first finance minister to have been with the Home Affairs Ministry. During his speech, Takemura reminisced his experience as Shiga Prefectural governor in lowering prefectural public servants' wages, rendering a preemptive strike against Finance Ministry bureaucrats who were cautious about administrative reforms. Takemura said: "After serving for eight years in the Home Affairs Ministry, I returned to my native home, became a mayor, and was then entrusted with the prefectural administration for the following 12 years. The prefecture's coffers were empty, which reflected the great crisis in local finances, which was the result of the oil shock. I declared a financial crisis and asked the prefectural workers to endure severe actions, which included lowering their wages. In addition to the suspension of all prefecture sponsored events for one year, ordinary expenditures and public works were cut back, but we were still unable to make ends meet, forcing a payroll cut. That was my local experience, but I am determined to work with a stern will, reminiscent of such memories. When we do our best in such sober efforts, I am confident that the people will understand and follow us."

Leading Finance Ministry bureaucrats, with tense and complex thoughts, listened intently to what he said because relations between Takemura and the Finance Ministry split when the national welfare tax problem developed into a controversy when the plan was shelved while Takemura was chief cabinet secretary. The fact that Takemura, of all people, came back as finance minister and told the Finance Ministry's bureaucrats about his experience as a prefectural governor cutting back the payrolls of his employees and of his administrative reforms, and the resulting unuttered surprise, anxiety, and shock to the Finance Ministry's bureaucrats reached its peak.

When Takemura mentioned his gubernatorial administrative reform, he pointedly insinuated the difference in views on tax system reform between the Finance Ministry and Sakigake in the LDP, SDPJ, and Sakigake coalition government. Their views on tax system reform differed on the following two points.

Sakigake, pushing its administrative reform policy to the forefront, attempted to keep the rise in the consumption tax rate down to a minimum by reducing annual expenditures through such actions as privatization of special public corporations. To this, the Finance Ministry, which desperately defends its stubborn policy of keeping a balanced budget, had earlier set forth a seven percent consumption tax rate and attempted to go ahead with a tax increase plan to offset the deficit.

Such a difference in the basic policies became apparent at the Finance Ministry sponsored celebration party, which was held soon after Takemura became finance minister. Takemura seized a leading bureaucrat from the Budget Bureau and got straight to the point, asking him: "How about privatizing national universities?" To this remark, the Budget Bureau bureaucrat could not help smiling a bitter smile, answering: "That is impossible, because privatization will inflate subsidies to private institutions, causing financial burdens to increase."

At the time, Takemura did not question the official further, saying: "But I am dubious about it." The Finance Ministry, on the other hand, sensed Takemura's ambitious aspiration for administrative reform and racked its brains on how to persuade him.

Although Takemura's tone was moderate, his remarks seemed to have been aimed at rendering a preemptive strike at the Finance Ministry, which is hesitant to take up administrative reform. In a roundabout remark, Takemura suggested to the Budget Bureau: "It would not go well with a predetermined tax increase policy," although he acknowledged the importance of reforming the tax system.

At about the same time, irritated top officials from the Budget Bureau said: "After all, the new coalition government is a "cabinet composed of Home Affairs Ministry alumnus."

Cabinet Composed of Former Home Affairs Ministry Officials

In other words, Prime Minister Tomiichi Murayama once worked for the All Japan Prefectural and Municipal Workers' Union, Finance Minister Takemura at the Home Affairs Ministry, and Home Affairs Minister Hiromu Nonaka as a prefectural vice governor; all come from bodies related to the Home Affairs Ministry. Chief Cabinet Secretary Kozo Igarashi came from a local autonomy after having served three terms as Asahikawa City mayor, and Nobuo Ishihara, deputy chief cabinet secretary, and Takashi Yoshihara, secretary to the finance minister for political affairs, were former bureaucrats at the Home Affairs Ministry. Thus, the government's key posts surrounding the Finance Ministry are dexterously occupied by people for "local autonomy." And behind them is former deputy prime minister Masaharu Gotoda, a king maker from behind the scenes at the Home Affairs Ministry.

In the midst of debate on reforming the tax system, the Finance Ministry received some shocking news. "Do not listen to what the Finance Ministry says. Force things, or the regime will collapse." Reputedly, these remarks, made by Gotoda, secretary for political affairs to Prime Minister Murayama, an influential advisor to the political world, were circulated in extraordinary memorandum form. The Finance Ministry was extremely nervous about the effects of Gotoda's advice, who has latent influence in the officialdom, because such advice was made when the ministry was all bent for reform of the taxation system.

Under the circumstances of the powerful politician Gotoda, who had served in the Home Affairs Ministry, issueing anti-Finance Ministry instructions from the background, it was difficult for the Finance Ministry to make public consumption tax rate increase and the time that the increased rate would go into force. In addition, its minister, Takemura, tenaciously handled bureaucrats, preventing them from giving a full display of their characteristic steadfastness.

Upon becoming the minister responsible for the tax system's reform, Takemura made his first remark to Jiro

Saito, administrative vice finance minister, saying: "Do not talk like you used to." Saito, who stood out as a bureaucrat for the national welfare tax blunder, said: "We will obey the minister and devote ourselves to our functions as career men," displaying the "bureaucrat's" obedience to the "politician."

Takemura, upon becoming finance minister, specifically emphasized that "national and local governments' total debts amounted to 300 trillion yen." It is well-known that the government bond balance, as of the end of fiscal 1994, amounted to 201 trillion yen. But Takemura was the first man to explain that the local treasuries have a 100 trillion yen debt, thus the government has a total debt of 300 trillion yen.

The Finance Ministry is grateful for the minister making public the fact that the nation's finances are in a critical condition, but revealing the distressing condition of local government finances is a bit too much. The Finance Ministry is afraid of the offensive those local autonomy supporters may launch on the local consumption tax issue. If a certain percentage of the consumption tax is taken away in the form of local consumption taxes, then that means that that percentage is transferred from the Finance Ministry to the Home Affairs Ministry. The Finance Ministry can remain the most powerful government office because it controls the revenue. Finance Ministry bureaucrats were susceptible to Takemura's intentions as a man from the Home Affairs Ministry, not forgetting to pay attention to local government finance, and at the same time, taking sides with the Finance Ministry.

While such a psychological war was being waged between Takemura and Finance Ministry bureaucrats, Takemura launched an "appeasement" campaign. Although it is not known whether Takemura wanted to settle his regrets with the national welfare tax blunder or whether he thought it advantageous to win Finance Ministry bureaucrats over to his side, Takemura held a separate social gathering with each Finance Ministry bureau.

Takemura socialized separately with all the bureaus including Budget, Tax, Financial, Banking, Securities and so on [Customs and Tariff]. His first guests were nine leading members of the Tax Bureau, headed by Director General Tadashi Ogawa. They were invited to a Chinese restaurant in Tokyo and the chats with the minister went on amicably for three hours, well beyong the scheduled time.

One, commenting on his impression of Takemura, said: "He does not like to hear such explanations as 'the report of the government-sponsored council on taxation systems says as follows.' He reacts excessively to such quotations, and his expression becomes displeased as soon as he hears that 'a decision has already been made on the matter.' He was most cautious about the fact that the bureaucrats decide on the process before the minister."

Takemura's "Detached Corps" Takes Action

On 17 July the ruling parties' Tax Reform Project Team (chaired by SDPJ Dietman Ichiro Hino) began discussion on income tax reduction and on a new source of revenue. At the consultation meeting of 20 Diet members representing the LDP, SDPJ, and Sakigake, Sakigake's young members played the role of forerunners, "detached corps" of Takemura, who, as the finance minister, could not act openly. Fumihiko Igarashi, deputy chairman of Sakigake's Policy Research Council, ran around trying to sell the "two-tiers method" idea for reducing income taxes among the LDP dietmen, who have been unable to shake off the opposition's inertia, and of the SDPJ dietmen, who have basically been against an increase in the consumption tax rate.

The two-tier method is a combination of two plans to bring about the projected 5.5 trillion yen tax reduction—one is the permanent tax reduction in the amount of 3.5 trillion yen to be brought about by a drastic tax reform including reviews in the tax rate classification and the other, a fixed rate tax reduction totaling two trillion yen being executed during fiscal year 1994. This method has the merit of keeping down the tax rate increase at a low level because the tax revenue increase to be brought about by the rise in the future consumption tax rate will be held down just to offset the decreased revenue brought about by tax reform and fixed rate tax reduction will be suspended.

It is not certain who first thought up the idea, but the Sakigake members, headed by Igarashi, must have been the first to publicize the idea. As expected, the Budget Bureau of the Finance Ministry was displeased at the idea: "It is against the objective of attaining drastic tax reform and it may distort the income tax system." But as the economy showed signs of recovery, the idea has unknowingly become the "mainstay" of the tax reduction plan.

If this plan is adopted, the consumption tax rate will be fixed at five percent for the moment. Igarashi stressed its difference with the seven percent rate proposed by the former coalition parties by saying, "I support the five percent plan. I told them that the seven percent rate must be cut to five percent. If the projected money is not raised by administrative reform, an increase of one percent in the net tax rate for a one-year duration may be requested."

Igarashi made his distrust apparent in the Finance Ministry—which insists on balanced finance—by persisting with the seven percent plan and being reluctant toward the five percent plan. "The Finance Ministry rejects whatever idea I propose to increase revenue. After all, it wants to raise all the funds through the consumption tax. It is attempting at all costs to kill other plans that stand in the way of the consumption tax increase."

Igarashi insists that the Finance Ministry provided informative materials to the opposition parties, headed by

Shinseito [Japan Renewal Party], rather than the ruling parties, and that the Finance Ministry has attempted to abandon the administrative reform plan on which Sakigake is earnestly working. According to Igarashi, the following verbal exchange occurred with a leading bureaucrat from the Budget Bureau.

[Igarashi] In the past, the Finance Ministry used to make necessary prearrangements for the vital points of its plans to make sure that they would be approved eventually. But this cannot be done anymore. Chief Representative Takemura was said to have reminded you that you "should not make prearrangements." I agree with him. The coalition has such dreadful power.

[Budget Bureau official] ....

[Igarashi] You will be in trouble if you supply information to the opposition parties for the purpose of making prearrangements, and then the opposition launches attacks on us with that material."

[Budget Bureau official] No, I will not do that. I am sorry for what I have done. The administrative vice minister also expresses his submission and obedience."

"Sakigake's Proposal Is Absurd"

A project team headed by Sakigake's Naoto Kan, chairman of the party policy research council, also worked out a concrete plan for reducing expenditures through administrative reform. The plan calls for reform in the bidding system for public works projects and reduction and rationalization of special public corporations, aiming at a 2.4 trillion yen reduction in annual expenditures, equivalent to one percent of the consumption tax, by five years from now—fiscal 1999.

The plan clearly reflects Sakigake's position that administrative reform is a prerequisite to tax reform. Kan, who professes his absorption in administrative reform, revealed his strong determination, saying: "The people would not back you up when you ask for more burden sharing unless you show them clearly that you have accomplished much political reform and administrative restructuring in the spirit of the times."

The Finance Ministry's reaction to this idea is very negative. A reduction in personnel expenditures through amalgamation and abolishment of government offices is the ultimate objective of administrative reform. But leading officials of the budget bureau flatly rejected the idea: "As for now, the expenditures will increase, rather than decrease, due to the increased payments of retirement allowances."

In addition, they point to the past record of force reductions in national government employees. In fiscal year 1968, the Personnel Strength Law was enforced to curtail the number of public servants, and approximately 40,000 national public servants have left the service during the past over 20 years. Assuming that seven million yen is paid out in personnel expenditures per person per year, a 10,000-man reduction will simply produce the effect of a 70 million yen reduction in annual expenditures. Thus, a 40,000-man reduction in forces would have produced about 300 billion yen. Pointing to the figure the reduction brought about in over 20 years, the Budget Bureau official asks: "How is it possible for a plan to produce a reduction of nearly one trillion yen in expenditures?"

A certain leading bureaucrat regards Sakigake's plan as "absurd," saying: "The expected reduction figure of 2.4 trillion yen has no foundation in reality at all. They envisage privatizing special public corporations; but who would buy the stocks of those corporations, most of which are operating at a loss? Three old public corporations were managed independently for profit, and had some entrepreneurial potential. The Japanese National Railways was a strong competitor against privately-owned railways. Even the Japan Tobacco and Salt Public Corporation competed with foreign cigarette producers. On the contrary, with whom is the Japan Highway Public Corporation, for instance, competing? I would like to see whether a single person would purchase the stock of an unprofitable company."

Naoto Kan, who professes to be the representative of the citizens' group, could not endure this remark any longer, saying: "The Budget Bureau has absolutely no desire to think about restructuring." He added: "Budget bureau personnel theoretically know about administration rather than politics. But this is true only when an issue is but an extension of a past event, or when an objective is clear. They might be excellent in such cases, but do not necessarily come out with excellent ideas now when the objective is not clear."

Of course, Sakigake's representative, Takemura, was behind Igarashi and Kan. Machiavellian Takemura, looking askance at Sakigake's detached corps of Diet members making repeated "anti-bureaucrat" and "anti-Finance Ministry" remarks, made remarks reflecting favorably on the Finance Ministry. In a television debate program, Takemura pleased skeptical Finance Ministry bureaucrats by taking a position that he favors taking simultaneous actions on both tax increases and tax reductions.

But the leading official of the Budget Bureau did not overlook the fact that Takemura opened his remarks with the phrase, "I, as the Minister of Finance..." So he always listened to the minister's remarks with suspicion, asking: "Does he have different ideas as Sakigake's representative?" As a matter of fact, Takemura has revealed his position as Sakigake's representative when the talks addressed the subject of the amalgamation and abolishment of special public corporations when he said, "There are many solutions, including decisions to abolish or to transfer them to civilian management, but one or two corporations are not enough."

He Can Work Even With a Communist Regime

Of all, the Finance Ministry firmly stood on guard at the remarks Takemura made at a news conference one week before the outline of the tax reform was going to be decided. "If you think that the increased consumption tax is going to be the source of revenue to offset the tax reduction and to be used for welfare, then five percent is not enough. You are not permitted to close your eyes to the continued expansion of financial demands in the future."

At first sight, the remarks seemed to indicate that "the rate of the consumption tax may be raised over six percent." The Finance Ministry, which originally attempted to fix the consumption tax rate at seven percent, must have welcomed what Takemura said. But it did not act that simply because the Finance Ministry bureaucrats are on guard to face all of the situations with suspicion and try to read between the lines.

"In a critical financial situation, we are grateful that someone stresses the need for a net increase in taxes; but is it his true intention? Pretending to be on our side, is he not making the solution more difficult by increasing difficulties? If so, he can avoid blame if the plan fails. If he made the remarks on that assumption, he must be a really tough guy."

Such is the unpretending attitude of the Finance Ministry bureaucrats. Amid a continuing psychological war between Takemura, who became finance minister with grudges against the Finance Ministry carried over from his days as chief cabinet secretary, and the bureaucrats, who are in constant fear every day, the Finance Ministry bureaucrats looked at the minister with considerably cool hearts. Describing Takemura's toughness, a Finance Ministry bureaucrat said, "He is a Machiavellian politician, unlike a man with experience with public servants, and he can become a minister even if a communist regime comes into being."

Contrary to earlier expectations, Takemura won the victory—the creation of the local consumption tax. When that plan was proposed for the first time, the Budget Bureau of the Finance Ministry rejected it flatly—"The idea conceived by a director-general of the Home Affairs Ministry for his own publicity is a worthless plan for taxation theory."

The local consumption tax intends to abolish consumption tax sharing, which distributes 20 percent of the consumption tax revenue to local governments, when the national consumption tax rate is raised, and rechannel the increase in revenue to a local tax to expand independent sources of revenue for local governments. It was finally agreed at negotiations among Chief Cabinet Secretary Igarashi, Finance Minister Takemura, and Home Affairs Minister Nonaka that part of the consumption tax, a national tax, shall be made a prefectural tax, and that collection shall be carried out by national taxation offices when they collect the consumption tax as a whole.

Why did the Finance Ministry surrender with good grade, despite its adamant opposition that the tax is not in line with the logic of taxation, and that its handling will make office work complicated? It was due to the fact that the local autonomy trio of "Igarashi, Takemura, and Nonaka" laid siege to the Finance Ministry. In addition, the Ministry of Finance paid consideration to the SDPJ, which strongly opposed an increase in the consumption tax rate, and to the All Japan Prefectural and Municipal Workers' Union, the SDPJ's largest supporting trade union. Who is the kingmaker of that union? It is none other than Prime Minister Murayama.

Home Minister Proposes To Abolish Finance Ministry

The role of Home Affairs Minister Nonaka, who has adopted a stand that is clearly against the Finance Ministry, cannot be overlooked. He filed a claim against the easygoing idea of raising the consumption tax rate by saying, "Before an increase in the consumption tax, an overall review of administrative reform and unfair taxation must be made. Also, welfare problems and the issue of the balancing of assets, income, and consumption should be dealt with before the tax increase is discussed."

Before our eyes, the minister of home affairs delivered a speech on the theme of "abolishing the Finance Ministry." "As it stands now, responsibility for receipts and payments is concentrated in the Finance Ministry. The ministry controls a wide sphere of jurisdiction, in such fields as budgeting, taxation, banking, securities, national tax administration, fair trade, and customs and tariffs. It assigns the vice ministers to several government ministries and agencies. Such a giant organization cannot deregulate itself at all. Restructuring and deregulation is necessary to get rid of such a mammoth concentration of power as that found in the Finance Ministry. Daring reforms cannot be expected without separating the banking bureaus, securities bureaus, and so on as independent organizations and transferring the right of compiling the budget now handled by the Budget Bureau to the Cabinet, for example."

Nonaka, who publicly says that "the tax exists for the state, not for the Finance Ministry" enthusiastically hails Takemura by saying, "It is a splendid thing for Japan to have such a man as Takemura, who does not readily obey the intentions of the Finance Ministry as the Minister of Finance."

It is simple to imagine a former prime minister such as Noboru Takeshita behind such a composition. The fact that leading bureaucrats of the Finance Ministry headed by Vice Minister Saito visited Takeshita en masse at his home immediately after the formation of the present coalition regime eloquently illustrates this point.

It is not certain how much influence Takeshita could have exerted on the current round of tax reform. When Diet members of the LDP and Sakigake called on him, Takeshita supported the Finance Ministry from behind by showing him the fifth article of the supplementary provisions to the provisional measures for special income tax reductions, clearly stating the necessity of sweeping tax reform.

At Finance Ministry briefings, Takemura used to mention the name of Takeshita by saying that "he must be thinking this way," displaying his consideration for the ministry's guardian deity. That was why leading Budge Bureau bureaucrats held faint hopes that "Takeshita might be counted on to persuade Takemura at the last moment."

On the other hand, there was a strong, cool-headed view even in the Finance Ministry that "we just went to express our gratitude to the man who had introduced the consumption tax, not to ask for his influence." Chairman Hiroshi Kato of the government council on tax research was also indifferent, saying: "Takeshita was not a Diet member belonging to the LDP. It would make a difference if he were reelected to the Diet as an official LDP candidate. Such a person cannot become a mediator, either in the forefront or behind the scenes."

Vice Minister of Finance Saito, who had been pointed out as closely related to Ichiro Ozawa, Shinseito's representative, when the national welfare tax was brought up, is said to have shut his mouth tightly. Because his tense relation with Takemura was stressed intentionally, Saito maintained a blunt attitude during routine news conferences.

[Reporter] Are you going to include in the same bill the simultaneous disposition of a tax increase and tax reduction?

[Saito] I am in no position to comment because it is being discussed in a political setting.

[Reporter] You are said to have met former prime minister Takeshita...

[Saito] I have no comment.

[Reporter] Why is it that you have no comment?

[Saito] I have no comment even as to why I have no comment.

News conferences used to end within two or three minutes of questions and answers, as in the above case. The Finance Ministry insists that it "has to say the same thing even if the government changes its position." But it was afraid of the "danger Vice Minister Saito might invite when he stood up at the front." That was why the Budget Bureau, the most powerful group in the ministry, did not make any conspicuous moves. Instead, the Tax Bureau stood up front and intensely contended with the local autonomy group on the issue of the local consumption tax and so on.

Looking at the outline of tax reform the ruling parties finally agreed on, it is difficult to say who the victor was. It is extremely hard to write a balance sheet of the lengthy feud between Takemura and the Finance Ministry. Writing the balance sheet that covers the first act of the Hosokawa regime period and the second act of the new regime inclusive is almost impossible.

The Finance Ministry might be judged the loser because it compromised with the five percent plan, in spite of its intention to raise the consumption tax rate to seven percent. But it could be called a victory, because the decision of raising the rate was reached a year earlier than the commonly agreed target date—following the House of Councillors elections next year.

Takemura might be declared the victor because he opened the way to the local consumption tax while searching for a compromise plan. He might as well be termed the loser because the outline of tax reform mentioned only a few words about administrative reform, Sakigake's reason for being: "Together with resolutely carrying out financial as well as administrative reform...." It looks like an "itamiwake"—in Japanese terms, a draw.

Tax on Food Items Ruled Out

OW0811063694 Tokyo KYODO in English 0541 GMT 8 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO—The government will not adopt special tax breaks on food items when a consumption tax hike is implemented in 1997, Finance Minister Masayoshi Takemura reiterated Tuesday [8 November].

Takemura made the comments to clarify that his ministry has no differences with Prime Minister Tomiichi Murayama, who has called for discussions on special tax breaks.

"I've consulted with the cabinet secretariat and found no inconsistencies," Takemura told reporters after a morning cabinet meeting.

He noted that the special measure remains as a "future theme" but that the government is not planning to include it with provisions for raising the consumption tax "although it may come under discussions."

In a tax reform package now under Diet deliberation, the government included a provision to review the timing and scale of the tax hike in line with fiscal and economic conditions before it is implemented.

Murayama and Takemura have faced criticism by opposition parties over their contradictory comments on special tax breaks.

Turning to a planned interest rate hike in ordinary postal deposits, Takemura indicated that it should shelve such a government-led plan now that full rate liberalization has just started to take place in October.

"I'm worried about the impact on the private sector... [ellipses as received] when liberalization is not yet firmly embraced" in the private-sector side, Takemura said, noting that his ministry has the right to check any plans to avoid possible "impediments on free rate setting" by private banks.

Discussions are particularly needed for postal deposits and savings that account for some 30 percent of the personal market, he added.

The Finance Ministry has exercised its right for discussions to stop the plan by the ministry of posts and telecommunications, thus stirring strong criticism from the Posts Ministry.

Posts Ministry officials are insisting the plan is in line with the rate liberalization to extend benefits to depositors and are threatening to go ahead with the plan.

Touching on the state budget for the next fiscal year starting April, Takemura said the government and the ruling parties have "strong wishes" to compile it by the end of the current calendar year.

He even said the budget "must be formed as early as possible within the year," considering the tight schedules such as the annual summit meeting of the group of seven major nations to be held earlier than in past years.

Officials Predict Political 'Upheaval' in Dec

OW0811123594 Tokyo SHUKAN DAIYAMONDO in Japanese 12 Nov 94 p 18

[FBIS Translated Text] "Something will happen during the second week of December." This is an ominous rumor circulating in Kasumigaseki [Tokyo district where government offices are concentrated].

It has been almost four months since the inauguration of the Murayama government, and the approval rating for the cabinet has finally begun to rise. In such a situation, some government officials say there are signs of political upheaval.

An official in charge of Diet affairs at a powerful ministry that said the political circles would certainly pass through a serious crisis during the period between 3 and 10 December: The current extraordinary Diet session is scheduled to end on 3 December, and the opposition parliamentary group "Kaikaku" plans to inaugurate a new party on 10 December. Concerning future developments in the political situation, he said: "There is a high possibility that the coalition government will be reorganized if the cabinet resigns en masse, not if the House of Representatives is dissolved for a general election."

According to the scenario this official envisages, Prime Minister Tomiichi Murayama will begin preparations for a large-scale cabinet reshuffle immediately after the extraordinary Diet session ends, claiming that the first stages of political and tax reform, which are major political tasks for his government, have been concluded. The purpose of the cabinet reshuffle will be to increase the number of cabinet posts allotted to the Social Democratic Party of Japan [SDPJ] and give some posts to the Democratic Socialist Party [DSP]. However, under this plan, the Liberal Democratic Party [LDP] will be hit indirectly and receive a smaller number of cabinet posts. The party will naturally oppose the reshuffle. So Murayama will next decide on the resignation en masse of his cabinet and call on both the ruling and opposition forces to cooperate in inaugurating a truly liberal government composed mainly of members of the SDPJ, Sakigake [Harbinger], and the DSP.

The official said: "Now that the possibility of the LDP and the DSP forming an alliance has disappeared, the SDPJ can take the initiative in establishing a government by joining hands with either the LDP or the DSP. If it is fortunate, it will be able to split the new unified opposition party. It appears that the SDPJ considers this political change a big chance to resuscitate itself."

The story is hardly believable. But it has been said that several senior SDPJ officials have secretly sounded Murayama out about the reshuffle plan. A senior official serving in a ministerial secretariat wryly said: "A call recently heard within the SDPJ for giving the party chairmanship to Secretary General Wataru Kubo may have the same roots as the cabinet reshuffle plan." Concerning the "atmosphere" within the SDPJ, he said: "We are paying attention to the fact that frustration within the party has increased more than anticipated despite the party's rising approval rating."

Certainly, although the SDPJ has now taken the reins of government, in return it had to abandon its basic policies toward the Japan-U.S. security pact, the Self-Defense Forces, and a consumption tax. Also, there has been no progress in the debate on the issues of enacting legislation to give financial aid to atom-bomb victims and curtailing defense spending. Finally, a plan to form a new party comprising the LDP and the SDPJ has surfaced from within the SDPJ. The aforementioned secretariat official said: "Senior SDPJ officials are seriously concerned that unless they somehow make clear the significance of the existence of the party before the opposition camp forms a new party, it will lose the attention of the general public." This indicates that the SDPJ finds the reason for its being in its ability to bring about change in the political situation, not in its policies. This is exactly the same as the case in which a person who loses his possessions loses his sense.

Regarding a plan proposed by Secretary General Kubo to create a third force, the secretariat official said: "I would say that the proposal is aimed at easing frustration within the party, or that it stems from an internal conflict." At any rate, Nagato-cho will be a very busy place in December with "political upheaval," through which the SDPJ will try to clarify the importance of its existence, and in which the "SDPJ attempts to ease frustration within its own party."

Murayama's Cautious Stance on Election Noted

OW0811110894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Nov 94 Evening Edition p 2

[FBIS Translated Text] Secretary General Ichiro Ozawa of Shinseito [Japan Renewal Party] has disclosed he would not be too particular about an early dissolution of the lower house and a consequent general election.

Commenting on Ozawa's remarks, Prime Minister Tomiichi Murayama said on the morning of 7 November: "He must have made these remarks taking various views into consideration."

He went on: "We must make clear what the choice of the voters will be. It will not always do to hold an election to settle everything." In saying this he reiterated his cautious stance on the early dissolution of the lower house. Murayama's comments came as he answered questions from reporters at the Prime Minister's official residence.

Opposition To Elect New Party Head 8 or 9 Dec

OW0711144294 Tokyo KYODO in English 1426 GMT 7 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 7 KYODO—Opposition parties decided Monday [7 November] to select the first head of their planned new party at a general assembly meeting of the new party preparatory conference on Dec. 8 or 9, opposition officials said.

The parties also approved a proposal that candidates for other party posts should be elected in a party congress after garnering a certain number of recommendations from Diet members of the party.

The decisions were reached at a joint meeting between the preparatory conference's action committee and organization affairs committee, the officials said.

The opposition groups plan to launch a grand party Dec. 10 to wrest back power from the current ruling coalition, which is made up of the Liberal Democratic Party (LDP), the Social Democratic Party [of Japan] (SDP) [SDPJ] and New Party Sakigake [Harbinger], a tiny LDP splinter group.

During Monday's joint meeting, a proposal that the new party's No. 2 post of secretary general be appointed by the party chief met with strong opposition, the officials said.

Many participants at the meeting called for elections for the post, arguing the No. 2 position will require a strong mandate from party members.

The issue will be discussed further at the preparatory conference, the officials said.

Meanwhile, the opposition coalition has abandoned its former demand for snap general elections, opposition sources said.

Instead, the opposition will seek dissolution of the House of Representatives during the ordinary Diet session next year, the sources said.

The move was prompted by a delay in coordinating how the parties will work together to garner enough votes in the new election system for the powerful House of Representatives.

"We would like to formulate a list of candidates by the year- end," but that is difficult because "the job also has to do with the election campaign coordination for the House of Councillors election next summer," said Komeito Secretary General Yuichi Ichikawa.

The new election system of single-seat constituencies combined with proportional representation will be in place one month after the expected passage through the Diet of the political reform package in mid-November.

Other reasons for abandoning the call for a snap poll included movements within the SDPJ toward creating a new party and the need for the opposition camp to articulate their policy differences with the ruling coalition.

Shinseito's Ichiro Ozawa, chairman of the action committee and the chief opposition strategist, pointed to the need to clarify the opposition's policy lines concerning administrative reform, economic and diplomatic issues.

SDPJ, Sakigake Meet on Political Realignment

OW0811120394 Tokyo KYODO in English 1050 GMT 8 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO—Social Democratic Party [of Japan] (SDP) [SDPJ] Secretary General Wataru Kubo agreed with senior New Party Sakigake [Harbinger] officials Tuesday [8 November] to promote dialogue on policies in anticipation of political realignment, party sources said.

Kubo met Sakigake Secretary General Yukio Hatoyama at a Tokyo restaurant, the SDPJ's first such official talks with other parties on the possibility of forming a new alliance.

Kubo has been at the center of a move within the SDPJ to create a new social-democratic liberal party in order to counter the two expected conservative forces by the time the next general election is held.

The SDPJ, whose chairman Tomiichi Murayama is prime minister, is one of the three parties in the coalition government, along with Sakigake and the Liberal Democratic Party (LDP).

Sakigake, an LDP splinter group, is headed by Finance Minister Masayoshi Takemura.

The main opposition parties are planning to set up a new force in early December, becoming the second largest party with over 180 lower house members after the LDP, which has some 200 members.

Kubo told Hatoyama that the SDPJ will make public a "1995 declaration" early next year designed to shift its socialist ideology to a new set of social democratic tenets, the sources said.

On foreign affairs, the sources said, the political situation in China and on the Korean peninsula were their main concerns.

As early as next week, Kubo is expected to meet the Japan New Party's Banri Kaieda, who is interested in creating a new liberal force. Kaieda said he will not join the new opposition force to be established in December.

The JNP, headed by former Prime Minister Morihiro Hosokawa, is one of the leading movers behind uniting the opposition.

LDP's Kajiyama on Political Situation

OW0611164494 Tokyo CHUO KORON in Japanese Nov 94 pp 112-121

[Interview with Seiroku Kajiyam, former secretary general of the Liberal Democratic Party, by Soichiro Tahara, commentator and television producer; place and date not given]

[FBIS Translated Text] **Was the Relinquishment of Political Power by the Liberal Democtatic Party [LDP] Calculated Bankruptcy?**

[Tahara] This may be an abrupt question, but do you think Japan's politics are moving in the right direction or in the wrong direction?

[Kajiyama] For one thing, there is the question of the settlement of political reform. There have been rapid changes in the stream of international politics since around 1992 in particular, and the Cold War has come to an end. The world is in the midst of a great upheaval due to an eruption of various problems unleashed by the end of the Cold War. Politics cannot keep up with such changes. Construction of a political system to cope with the situation is a positive approach to political reform.

Meanwhile, the politics of the LDP lasted too long. The party committed few gross errors politically, but if it lasts too long, it will lose its popularity with the public, or it will come to a standstill, or it will fall into decadence. Getting rid of such political corruption is a negative approach to political reform.

However, the question is whether the single-seat constituency system is a good remedy for the corruption. I dare not say all, but both political scientists and media people have stirred up the fever that "the world will become a pleasant place to live and its future will be bright if the current election system is rectified." I am, however, a coward, and at the time of such a drastic change, I draw a conclusion only after deep deliberation: the important thing might be how to properly operate the multi-seat constituency system. Of course, I intend to strictly observe the resolution on the single-seat constituency system passed by both houses of the Diet within the same session of both houses. I still do not think the single-seat constituency system is the most effective.

Besides, there are those who say: "When the single-seat constituency system is passed, the House of Representatives should be dissolved immediately to seek the judgment of the people." What is most important now, however, is political "stability." A series of political changes this year has marred international trust and confidence in Japan. Repeated changes of government in a short period of time will ruin the people's trust in government. In that sense, we need to think more seriously about the interest of the nation. Therefore, my answer to your question is that Japan's politics has taken the wrong direction.

[Tahara] Speaking of political reform, the Miyazawa Cabinet was given a vote or no confidence vote last July. You were secretary general at that time. I had something to do with this matter. I asked Miyazawa in a television interview: "Are you going to reform the electoral system?" I had been thinking Miyazawa was not so enthusiastic about the reform.

[Kajiyama] No, he was not at heart.

[Tahara] Then Miyazawa said, "Yes, I will do that." Why did he answer like that?

[Kajiyama] To take what he said in a favorable sense, he might have thought that if he said he would do that, the LDP and the cabinet would cope with the situation as he wished. I think that reflects the nature of the man who attained the highest position.

I am of the opinion that democratic government is a matter of procedures. Even if the prime minister wants to do something, he cannot do it without the approval of the political party called the LDP, because he is not a dictator. I told that to Miyazawa. The situation within the LDP permitted no reform in the electoral system. Moreover, the prime minister's term was to expire in September. With a summit close at hand, the prime minister was also busy taking measures against the recession; he had no leeway to permit the passage of an election reform bill. When I asked Hata and others if they had any concrete plans, they said they had none. A clamor for reform in the electoral system had been raised without concrete plans. This is omitting procedures in an irresponsible manner, and only a despotic country can do that.

[Tahara] However, the LDP, in cooperation with the former coalition parties, passed the political reform bill in the end. The LDP should have passed the bill at that time [during the Miyazawa administration], if it had wanted to have the bill passed at all.

[Kajiyama] I did not say, "I will not conduct the reform." However, there were only two or three days before the end of the session; there were no concrete plans. Miyazawa wished for the extension of the session, but he was told by Hata "that was impossible." Even if the bill had been drawn up and passed by September, it would have been too late for an election at the expiration of the dietmen's tenure the next February if a period for making the bill known to the public was provided. We cannot make a new election law binding on newly elected dietmen after the expiration of their tenure. Japan is a law-abiding country, and we are democratic politicians who value procedures. Therefore, we cannot simply be so dry about the matter, although everybody makes light of it.

Everybody had been enthusiastic about "electoral system reform" and had been in an "anti-LDP" mood at that time. The whole nation believed that "a change in the electoral system wouls usher in a brighter world." One dietman said to me, "I agree with you, but I am sorry I cannot say it openly, because if I do, I will be beaten up." It seems that the nation has cooled down a little recently.

[Tahara] Personally, I had thought it would be better if the cabinet changed. Both the Kaifu and Miyazawa governments pledged "political reform," but without success. Moreover, various scandals and contradictions followed. I think the great majority of the nation came to believe that the one-party rule of the LDP began to show its limitations and that it had to be changed.

[Kajiyama] I, too, felt that "it would be better for the LDP to yield its power when viewed in perspective."

[Tahara] Was it calculated bankruptcy?

[kajiyama] Some people said, "Was it not so?" Actually, it is impossible to repair a car while it is running. Therefore, in my view, the LDP could not yield its political power while retaining the strength to come back, except for that one time.

However, from the standpoint of the secretary general, I was against yielding power because I am a cautious man. It was my understanding that none of the LDP members would opt for the nonconfidence motion, because it is the minimum responsibility as members of the LDP not to opt for a nonconfidence motion.

[Tahara] Ozawa and the others opted for the motion in the end, but you thought that was unlikely.

[Kajiyama] I had thought there should not be sympathizers for the motion.

[Tahara] You made a miscalculation?

[Kajiyama] I was rather confident that there would be no sympathizers. If the LDP is absolutely no good, why did they become members of it in the first place? Why did they not point out "defects" in the LDP? I am against the logic that says everything is no good without giving tangible proof. I still am.

Political Ideas of a Former Fighter Pilot

[Tahara] Ozawa, Hata, and others who bolted from the LDP were once your comrades.

[Kajiyama] I still think they are my comrades.

[Tahara] You and they have worked together for a long time, trusting each other. Did you not know that Ozawa and Hata were that sort of men?

[Kajiyama] The Kanemaru case was settled in that manner. They might have thought that was not necessarily the best solution. They bolted from the LDP soon after that.

[Tahara] I would like to ask you about their withdrawal from the LDP. I think that you and Ozawa formed a very strong, central combination in Keiseikai. I think Keiseikai grew to be as big as it did because of the cooperation between you and Ozawa. Then you parted from Ozawa.

[Kajiyama] I did not part from Ozawa; it was Ozawa who bolted from the LDP. I will talk as much as possible if talking about the past brings about reconciliation. I do not think that was the case. I have never spoken against Ozawa and Hata. They have splendid ideas, but their procedures are different from mine.

[Tahara] I would like you to tell me the differences concretely.

[Kajiyama] I am so cautious that I may be called a coward, for I experienced World War II—a man who experienced defeat in Manchuria. I heard women blackened with soot shouting in an open freight car: "Win a victory over the enemies, solders." I wonder how many of those who went to war have returned safe and sound. There may be various reasons for war, but waging war always breeds victims.

No matter how splendid ideas or ends may be, if there are those who make a profit or those who suffer a loss on the way, it is political methods or administrative methods that play important roles in easing the upheaval.

[Tahara] You think means and methods are more important than results or ends.

[Kajiyama] That is right. If I cannot find the means to reach the goal, I will stop. I will stop even if I am called a coward.

[Tahara] Well, that is news to me. You are commonly said to be a warrior type and a forceful man.

[Kajiyama] No, I am not. I was a member of the 59th class of the Japanese Military Academy and was trained in the martial arts. I am from Ibaragi Prefecture and cannot pronounce the Japanese "i" and "e" sounds correctly, and so I am not good at speaking. My speech takes on a tone of decisiveness, and has a rising intonation characteristic of the Ibaragi accent, which seems to make people think that I am quarreling when I talk. That may be why I am called a warrior type.

I was once a fighter pilot. We took off after an attack by the enemy. Fighter planes at that time had a short cruising range, and so they did not fight outside their own territorial sky.

[Tahara] They fought exclusively for defense purposes?

[Kajiyama] Fighter planes look strong, but they exist primarily for defense purposes. They fight only when their territory sky is violated. My view of life has been consistent since that time. I fight only when my rights and interests, or my beliefs are violated.

[Tahara] You have never attacked on your own initiative?

[Kajiyama] I never have.

[Tahara] You are misunderstood on that score. What then is the most important thing to you as a politician—something you have to defend at any cost?

[Kajiyama] Of course, that is peace. I never want to involve the nation in war. When the Pacific war ended, I was 19 years old. For two months after my return to Japan from the war, I could not go out of my house in the daytime because I felt as if I was responsible for the defeat of Japan. That thought still remains in my memory.

[Tahara] The problem is how to keep peace. According to the uniformed personnel of the Self-Defense Forces, it seems that Japan is not prepared for an enemy attack at present.

[Kajiyama] That may be right. All Japan can do is to play a supplementary role for the U.S. forces on the basis of the Japan- U.S. Security Treaty. Japan remains in a weak position for defending itself or fighting at its own initiative.

[Tahara] Do you mean to say that as Japanese politicians are afraid of touching on "how to fight" or "how to defend Japan," they have taken an uncertain attitude toward such problems?

[Kajiyma] That may be right.

[Tahara] However, to keep peace we must really venture into dealing with such problems in the final analysis, must we not?

[Kajiyama] It is not certain whether the United States can come to Japan's aid immediately in case of emergency even if the Japan-U.S. Security Treaty exists. There is even a possibility that Japan proper will become a battleground. In that case, Japan must be defended by going beyond the constitutional limits.

However, I think Japan is very unlikely to be exposed to a foreign invasion at present. To stir up a sense of crisis now does not lead to the fostering of the Self-Defense Forces. There will be no alternative but to infer in a long-range view how the countries surrounding Japan will change.

Former Coalition Parties Are Bent on Political Reform Only

[Tahara] By the way, what is your impression of the current LDP-SDPJ [Social Democratic Party of Japan] coalition government?

[Kajiyama] When the LDP maintained a majority in the so-called 1955 system, the SDPJ had been contained by the LDP just as the Soviet Union had been contained by the West. To the SDPJ, the LDP was a mortal enemy. Therefore, it was quite natural that the SDPJ should respond to the call "Let us get together to oppose the LDP" advocated by Nihon Shinto [Japan New Party], Shinseito [Japan Renewal Party], Sakigake [Harbinger], and others. When the SDPJ joined the Hosokawa administration, it could not remain a doctorinarian opposing party as it used to be even if the Hosokawa administration was an experimental one. In the midst of all this, the SDPJ at last....

[Tahara] ...became a realistic party.

[Kajiyama] "Became" is not the right word. The SDPJ's native character as a realistic party had been contained by the LDP while the SDPJ remained an opposition party; now the SDPJ has been released from the restraint. I had a feeling that an LDP-SDPJ coalition would be possible since the SDPJ had experienced the role of a ruling party through the Hosokawa administration.

Speaking from another perspective, the LDP, under its 1955 system, showed a very superior quality in achieving great wealth through the introduction of the competitive system. The SDPJ and the Japan Communist Party [JCP] were aiming at building an equitable, impartial society through the distribution of wealth. Meanwhile, internationally, the LDP ingeniously adopted the American market principle or competitive system, and domestically, the LDP adopted a socialistic style advocated by the SDPJ and the JCP, which have produced such an equitable, impartial society as we witness today. The SDPJ and the LDP have been opposed to each other, but at the same time they have maintained such a relationship. Now the SDPJ and the LDP are united and are aiming for the same thing. This is spiritually much easier to bear than the change from the idea of "immortal Japan" to "American liberalism" that we experienced in 1945.

[Tahara] Looking at the Hosokawa administration, the LDP felt that it could get along with the SDPJ. In other words, the birth of the Hosokawa administration was heaven-sent for the LDP.

[Kajiyama] Otherwise the LDP would have been unable to unite with the SDPJ.

[Tahara] And the LDP would not have regained power, either. If the Hosokawa administration had not been established then, there might have been a further decline of the LDP's fortune.

[Kajiyama] I do not know about that, but since the birth of the Hosokawa administration, I had been saying: "This administration is very fresh and agile compared with the LDP, which has been bound in fetters of conventionalism for the past forty years."

But, what did the former coalition parties have in common? It was only political reform or the single-seat constituency system, was it not? It is the same with Hosokawa and Hata. I think Ozawa has a somewhat different political goal from theirs.

[Tahara] Is Ozawa different?

[Kajiyama] Well, what do Hosokawa and Hata have except political reform? It is the same with Kaifu.

[Tahara] It is true that they have nothing but political reform.

[Kajiyama] Of all of them, Ozawa is equipped with a basic principle. Ozawa is an exception in that group. Therefore, his opinions sit well with the group. Once there were many cases in which his opinions did not sit well within the LDP. As Ozawa was in the political main stream called the Tanaka faction and was a favorite with Kanemaru, he displayed his skill in managing personnel affairs. But there were many cases in which he failed, like a peacekeeping operations bill. He is, after all, poor at going through due formalities in democratic government. However, as Ozawa has no equal in that group, all his opinions sit well with the group.

In that sense, I have a feeling that the Hosokawa administration was an amateur group. In dealing with the Uruguay Round, the Hosokawa administration could have done better, depending upon the methods of negotiations used. Then Hosokawa met with Clinton and later used an irresponsible phrase, "a mature adult relationship." I do not know how to say it in English, and I do not know how the other party felt when he heard it. [laughter]

For a time everybody applauded the rupture of the negotiations, citing it as proof that Japan and the United States are equal. However, to say "no" to the United States solely from the economic viewpoint and to be content with oneself show an ignorance of real diplomacy. The United States seems to be leaving Japan to its own devices concerning the current North Korean issue: "If that is the case, Japan had better tackle the problem on its own initiative."

[Tahara] The national welfare tax was quite unexpected.

[Kajiyama] That is a pattern of a bad overlord. That is equivalent to saying: "Three bags of rice are inadequate as the land tax, so make it seven." It is impossible for such a practice to go unchallenged. This is the reason I called the Hosokawa administration an amateur group; this is the reason it collapsed so suddenly. A finishing blow was given to the former coalition government by the Hata administration itself. The Hata administration might have thought that if the SDPJ were given ministerial posts, there would be no need to inform it of the formation of a new political group. When the SDPJ was not informed of it, its only resort was: "Even a worm will turn."

Reliable Relationship With Prime Minister Murayama

[Tahara] So the SDPJ bolted from the coalition government. And the SDPJ's Murayama has become prime minister. You have known Murayama for a long time.

[Kajiyama] I have known him for four to five years, since I was chairman of the Diet Affairs Committee. He is a man of strong conviction.

[Tahara] What do you mean by that?

[Kajiyama] You cannot make him give up his view unless you can convince him. And he is true to his promise.

[Tahara] Can we trust him?

[Kajiyama] Yes, we can. He is not a double-dealer. When the then opposition parties demanded the "summoning of Takeshita, Kanemaru, and Ozawa as witness," I complied with their demand. I may have been the most understanding LDP chairman of the Diet Affairs Committee. I was regarded as a warrior type only within the LDP. I used to say emphatically within the party: "This has been decided, so carry it out without fail."

In that sense, a reliable relationship had been established between Murayama and me in the sense that we always kept our promise.

[Tahara] Did you have a concrete talk with Murayama when the Murayama administration was born?

[Kajiyama] I would be telling a lie if I said I did not. But our talk was not a decisive one in nature.

[Tahara] What did you talk about?

[Kajiyama] I did not have a hurried talk with Murayama when his administration was born. When I gave a magazine interview entitled "The SDPJ, Be Confident!" last year, the first proof was given to Murayama. In it, I said the SDPJ is an important entity to be fully activated in the future.

To live in the international community, the thinking of the strong will not do when the problems of the environment and natural resources, as well as the North-South issues are taken into consideration. We must devise a rule by which to determine a better method of distribution. We should not enjoy our present life, leaving 4 to 5 billion people in poverty in developing countries. In that sense, we have to preserve socialistic ideas to consider how to distribute limited resources or food.

[Tahara] You mean to say that socialism is somehow necessary.

[Kajiyama] There is the Republican Party and the Democratic Party in the United States. Although there is a difference between the two parties, they tend to think in terms of the logic of the strong. In that respect, Japan is the most advanced country in terms of social system. In that sense, socialistic ideas will not perish; therefore I think that the LDP and the SDPJ should be united.

[Tahara] Still, the LDP has three times as many seats as the SDPJ. But the prime minister has come not from the LDP, but from the SDPJ which has only one-third as many seats as the LDP, which is regarded as a coalition of convenience to gain a majority.

[Kajiyama] However, democratic government abides by the decision of the majority. Therefore, although the leadership of the prime minister can be authorized within the maximum permissible limit, he cannot have his own way if the cabinet council expresses strong dissent. Accordingly, some people say there is no need to make such a fuss about that fact.

Speaking of the number of dietmen, the biggest party in the former eight coalition parties had only 70 members. The coalition parties had even a miniature party. But the LDP has at least 200 members and the SDPJ has more than 70 members. Both the LDP and the SDPJ are mature, politically experienced parties; therefore I think it improper to call their union one of convenience.

[Tahara] Frankly speaking, the LDP could not get along and could not make a living. At any rate, it had to become a ruling party, whatever form it may take. The LDP, therefore, has made the chairman of the SDPJ, which is one third as strong as the LDP, the prime minister. This is a logical conclusion, is it not?

[Kajiyama] It may be so. We are local representatives elected by the voters; and to concretely realize the wishes of the voters, a certain degree of compromise is necessary. If we shove only principles and claims to the forefront, that will reduce us to a political party of only one man. Instead of destroying ourselves by advancing principles and claims, we must get along by compromise.

To take up the subject of the single-seat constituency system, in the case of the multi-seat constituency system, a member of the LDP, the SDPJ, Komeito [Clean Government Party], the Democratic Socialist Party [DSP] and the JCP could each win an election in a five-man electoral district. However, in the case of the single-seat constituency system, there are only enemies or friends, which makes compromise particularly necessary. Much discussion is going on about Japan's political parties developing into two big parties or three blocks. But if two or three elections are held in Japan's blood-related, territorial society, Japan's political parties will develop into two parties—one strong and the other weak. I think this will be a serious situation.

[Tahara] One strong and one weak party instead of two big parties?

[Kajiyama] I think there is a very fair possibility of that. This will be a dreadful thing. I wonder if the advocates of the single-seat constituency system and people of the Private Ad-hoc Administrative System Study Council have ever conducted a simulation of elections under the single-seat constituency system?

[Tahara] I would like to ask you a question for confirmation. Are you against the system of two big parties?

[Kajiyama] No, I am not against it. I am only saying that we are not sure of having a system of two big parties. That is evident if we look at the elections of the heads of local governments. Once the head of a local government wins a hard-fought election, he will continue to stay in power unless he loses his office because of some scandal. We cannot expect a drastic change in Japan like Canada.

[Tahara] Do you mean that the multi-party system is safer because one strong party and one weak party is dangerous?

[Kajiyama] What I want to say is that as politicians are representatives of districts, they have a strong desire to participate in the reins of government. Under the single-seat constituency system, one cannot win an election unless one makes his direction clear—either this or that direction. Therefore one has to join either one or the other party. Then there is no other way except a coalition of convenience. In short, those who have strongly advocated the single-seat constituency system have actually recommended a coalition of convenience on a large scale.

[Tahara] Then, when the single-seat constituency system is introduced, the LDP has no alternative but to unite with the SDPJ?

[Kajiyama] I do not know about that. There may still be alliances and unions. Unity may be brought about through such a process. One of the great test cases is the current coalition government comprised of the largest party and the second largest party. I do not like the word "yago" [coalition of convenience]; instead, I am using the word "yashinteki daitogo" [ambitious, great unification]. [laughter]

[Tahara] You had no alternative but to vote for Murayama for your ambitious, great unification.

[Kajiyama] Last year I often had a dreamlike talk with Murayama: "The name 'the Liberal Democratic Party' is too big. The Liberal Party and the Democratic Party may be different from the Republican Party and the Democratic Party in the United States. We, the LDP, will call ourselves the Liberal Party and make an effort in a field which makes wealth greater; you, the SDPJ, can call yourself the Democratic Party and make an effort in making a fair, equal distribution of wealth. Can we not achieve such a union? If we can, we can achieve another great union, the Liberal Democratic Party which is comprised of the Liberal Party and the Democratic Party."

[Tahara] That is the point. To be united in the form of the Liberal Democratic Party is like the Federation of Agricultural Cooperative Associations, to my mind.

[Kajiyama] In Japan, however, there is a phrase "a mixture of Buddhism and Shintoism." Western countries are monotheistic, and they reject other religions and cultures. Japan, however, has preserved with great care the cultures introduced from India, China, the Korean peninsula, and Europe. Japan values Confucianism, Buddhism, and Shintoism, and it does not reject Christianity. The Japanese have a superior gift in absorbing and synthesizing different things. I think we must reconsider whether the resolute attitude of the West—choosing either this or that—is a better way of doing things.

Although international contributions are emphasized, unless we have a political philosophy which gives kind consideration to others, transcending the modern idea of the survival of the fittest, the 5 to 6 billion people on the earth cannot coexist. In that sense, Japan's trust in mixed cultures is a way of surviving for Japan, and that can be the foundation of a new, rare, and valuable way of living for the world. To be happy, the amount of wealth must be made greater. At the same time, however, we must know how to use the theory of distribution for developing countries. We must take the matter that seriously; merely becoming a permanent member of the U.N. Security Council does not solve the problem for Japan.

Urban Political Parties Are To Be Recommended

[Tahara] By the way, what will become of the current LDP-SDPJ coalition? The opposition parties are talking about forming a new party. Will the LDP and the SDPJ develop into a new party, or...?

[Kajiyama] We do not know yet.

[Tahara] What about its direction?

[Kajiyama] Following the collapse of the Soviet Union, conservatism has grown stronger and socialistic ideology, in the old sense of the word, has grown smaller in the domestic political structure. However, the content of the conservatism is varied; discussion or experiments will be necessary concerning possible combinations.

However, there are those who were once in the LDP, but bolted from it, saying "It is all over for us if we belong to the LDP." They will be laughed at if they return to the LDP again. The problem for them is how to get rid of these complications; it will be some time before they return to the LDP.

[Tahara] How do you map out the future of Japan's politics as it should be?

[Kajiyama] I think the political energy of big cities is wasted in Japan now. It is only moving in a negative direction. Instead, we should form a new urban political party whose slogan is "Prime Minister from Tokyo." In comparison with its economic power, Japan is not only a small country with few natural resources, but also an unbalanced country with strong urban elements. A city state cannot live unless it shoves free trade and peace to the forefront. The populations of Tokyo, Nagoya, and Osaka combined exceed 40 percent of Japan's population. Collecting energy from these cities is the most desirable thing in looking for the future energy of Japan.

Since the Meji era, Japan's politics has been conducted by "Satsuma" [Kagoshima Prefecture], "Choshu" [Yamaguchi Prefecture] and others, whose armies occupied "Edo" [Tokyo]. All prime ministers have come from the provinces, such as Ibaragi Prefecture, Gunma Prefecture, Shimane Prefecture, and others. Citizens of Tokyo may not like it, because it may seem to them as if Tokyo is occupied by "Yoshinaka Kiso" [warrior of the Heian period (794-1185) who was raised in Shinano Province (now Nagano Prefecture. In 1183 he seized the then capital, Kyoto].

[Tahara] That simile is very easy to understand.

[Kajiyama] Those of us who are from rural districts can support ourselves somehow or other. Now, in Japan it is people in big cities who are seriously thinking about a way of life. However, Tokyo has not produced any prime minister since Ichiro Hatoyama [prime minister from December 1954 to December 1956]. Tokyo has produced only commentators. Tokyo has only people who call for administrative and financial reform, and deregulation without engaging in politics themselves.

[Tahara] The more I hear your story, the more I feel that you and Ozawa are similar in thinking. Why is it that you two cannot get along?

[Kajiyama] I do not know that, either. Without realizing it, I have become a conservative and he has become a reformist. I wonder if those around us have separated us. I have had no chance to meet him in the last three years.

[Tahara] Why is that?

[Kajiyama] I do not know.

[Tahara] What is the difference between you and Ozawa if there is any?

[Kajiyama] I think the difference lies in methods. I belong to the group of cowards. He was born in a happy era....

[Tahara] He belongs to the generation that has not experienced war.

[Kajiyama] Moreover, he is from the privileged class.

[Tahara] He is a second-generation politician, too.

[Kajiyama] He was favored by Tanaka, Takeshita, and Kanemaru. Consequently, he is full of self-confidence, believing that "Where there is a will, there is a way."

[Tahara] A strong combination will be born if men like Ozawa and you, who have experienced a scene of carnage, band together.

[Kajiyama] Probably we are not in that position now. A man may be influenced by his environment, for such a pacifist as Hata said, to my surprise: "If Japan intends to become a permanent member of the U.N. Security Council under conditions that it will not use armed force, it will be frowned at by the world."

[Tahara] Are you against Japan becoming a permanent member of the U.N. Security Council?

[Kajiyama] No, I am not. However, we must make known the fact that Japan is under constitutional limitations; we must ascertain whether the Japanese people are equal to the task of permanent membership; we must know the moves of each Asian nation. We should act after confirmation of these matters.

Furthermore, will Japan take the side of the United States or the United Nations if they should confront each other? What should Japan do about the Japan-U.S. Security Treaty? Is Japan going to be a link between the United Nations and the United States at its own expense? Japan must be prepared to answer each of these questions.

Historian Views SDPJ Political Leadership

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[Article by Kentaro Hayashi, professor emeritus, Tokyo University]

[FBIS Translated Text] *We should not forget the fact that the historic transformation of the Social Democratic Party of Japan [SDPJ] was made possible through a coup d'etat by the party's leftists.*

Formation of a coalition cabinet by the Liberal Democratic Party [LDP] and the Social Democratic Party of Japan with Chairman Murayama of the SDPJ as prime minister surprised many people. As it was not expected even by the majority of professional political commentators, it was received naturally as a surprise by the general public. What's unexpected was that contrary to the rules of party politics, the LDP and the SDPJ, which had been fighting against each other with political beliefs that were diametrically opposed, suddenly joined hands together.

Speaking of going against principles, certainly it was the SDPJ that violated its principles most during the recent show of forming a coalition. Upon becoming prime minister, the SDPJ's chairman abruptly declared that the Self-Defense Forces were constitutional, that the Japan-U.S. Security Treaty should be kept intact, and that the national flag and the national anthem should be acknowledged—he completely denied his party's platform and deeds of the past. Of course, policy changes are possible. But, as stated in an ASAHI SHIMBUN editorial, "If they want to change their party platform, they should settle their old accounts first and then tell the voters the reasons for the change and their vision for the future" (21 July).

Later, at a meeting of the SDPJ's Central Executive Committee, this transformation was approved in its entirety. The policy change was explained simply as follows: "Demilitarization is the ultimate ideal for humankind. The policy of neutrality and nonalliance has completed its historical role." However, as the SDPJ used to advocate demilitarization as a real policy issue, not as an ideal policy issue, the above explanation doesn't explain the reason for the policy change. Saying that neutrality has "completed its historical role" could have been right if the SDPJ's advocacy of neutrality had contributed to the end of the cold war. However, the reality was completely opposite. Japan was not neutral—it formed an alliance with the United States and maintained its security under the U.S. military umbrella. The truth is, therefore, the cold war ended because the United States with its military power won the arms race against the Soviet Union (or I should say, the Soviet Union couldn't bear the race any longer).

In a Sense, the Coalition Is Nothing But an Illicit Union

The SDPJ gave an inconsistent reason and formed a coalition based on a policy ground that was completely different from its past claims—this was nothing but caprice. Even the mass media that used to be soft toward the SDPJ called the coalition an "illicit union." There are some people, like Mr. Eiichi Yazawa, who admonish the use of such vulgar language as illicit union (see article in the previous issue of this magazine), but I think it appropriate to call this kind of capricious coalition an illicit union.

However, when you read Mr. Yazawa's article, you would realize that he did not admonish the arguments against the illicit union just because of the language used—he did so from his knowledge of the SDPJ's party character. According to Mr. Yazawa, the reason why some people call the SDPJ's coalition with the LDP as an illicit union is that they wrongfully assume the SDPJ as a party of conviction and principle. The SDPJ is not that kind of a party. It has never brought forward any policy measures to establish socialism in Japan. It has never presented any ideas for social reform. In essence, no matter how you look at them, members of the SDPJ are not socialists. Then, who are they? They were simply personification of grievances in the society, and therefore they should be called as the Japan Grievance Party. But, as they functioned as spokesman for such grievances and kept these grievances from exploding, they have in effect contributed greatly in keeping the society at peace.

It is not clear, therefore, if Mr. Yazawa is giving a high o low rating to the SDPJ. But, in any event, what he is saying is that given the SDPJ's character, the SDPJ's recent coalition with the LDP should not be considered strange at all.

Although different in approach from Mr. Yazawa's burlesque-like article, Mr. Jun Eto seems to be saying essentially the same thing in his article, "Fiction of

'Gentle Politics'" (published in the September issue of BUNGEI SHUNJU). Here, he says that formation of the LDP-SDPJ alliance was "earthshaking and extremely absurd, and that the union was a matter of convenience for them to gain political power" (thus, he calls it an illicit union as well). However, he also says that such absurdity was nothing new and was merely an extension of the "1955 structure"—the coalition was simply a public display of what used to be kept behind the scenes.

Fourteen years ago, Mr. Eto already discussed an "exoteric" and an "esoteric" side of the 1955 structure in his article that appeared in the August 1980 issue of SHOKUN. The "exoteric" side was an ideological conflict parallel to the cold war structure in international politics. Here, the LDP and the SDPJ seemed to oppose each other with no possibility of compromise in such issues as for or against the United States and whether to revise or keep the existing Constitution. Behind this "exoteric" side was the "esoteric" side—a tacit agreement and the power of friendship among the LDP, the SDPJ, and the United States. The tacit agreement was never to break this structure of conflict. In other words, the LDP would call for enactment of an independently written Constitution, but it would never try to get more than two-thirds of the seats in the Diet. The SDPJ would voice for keeping the existing Constitution and manage to get one-third of the seats in the Diet. Then, the two parties would cooperate with each other to perpetuate the 1955 structure. This tacit agreement and the power of friendship were used in politics of Diet affairs, and were "simply exposed shamelessly to the public" by the current LDP-SDPJ coalition cabinet. Such is the view held by Mr. Eto.

Aside From the "Exoteric" and "Esoteric" System

Earlier, I said that in effect Messrs. Yazawa and Eto seemed to be saying the same thing. That's because they both think that the recent coalition did not produce anything new, but rather it was a continuation of the old practice in a different form. However, there seems to exist a big difference between the two commentators in terms of how they judge the recent coalition. Mr. Eto clearly has a negative attitude toward the new cabinet, and he believes that its demise is not far in the future. On the other hand, Mr. Yazawa's opinion is not that clear. Speaking of an illicit union, it was the LDP that began attacking a coalition cabinet during the Hosokawa administration. Mr. Yazawa believes it natural to hear vulgar language in the world of politics where vulgar wheeling and dealing are commonly practiced. He, therefore, admonishes mainly the mass media about using such language. Also, as he seems to rate the SDPJ highly by giving a low evaluation, he appears to be quite in favor of the recent political change.

Aside from whether he is approves or disapproves, Mr. Yasunori Sone is the one who believes that "the LDP-SDPJ coalition is sustainable" (see his article with the same title in the previous issue of this magazine). According to his view, the "era of borderless political parties" has begun, and as long as these parties don't try to pursue a policy of consensus as the old coalition government did, and if they just "swallow" any policies and continue to take a stance of "no decisions and no actions," they will be able to sustain their political power—after all, the largest and the second-largest parties formed a coalition, wanting to assume political power.

I am not going to speculate on the future of the current cabinet, but I have my own thoughts on the recent political change. Looking at this change in its form, Mr. Eto's view—the change revealed what had been hidden in the politics of Diet affairs—seems to be correct. But, if we focus on its substance rather than its form, it is not necessarily correct. To myself as a "positivist historian," the hypothesis on the "exoteric and esoteric sides of the 1955 structure," which is the foundation of Mr. Eto's argument and however clever this analogy seems to be, does not seem to render an accurate picture of what actually happened in history.

To be sure, it is the fact that when the two-to-one power structure between the LDP and the SDPJ became established under the medium constituency system, members of the diet affairs committees of the two parties engaged in behind-the-scenes transactions, involving money or otherwise, for administration of both houses of the Diet, generating many tacit agreements and friendships. However, such an "exoteric" and "esoteric" system was not created from the start in 1955 when the leftists and the rightists merged to create the Japan Socialist Party [JSP], and the Japan Liberal Party and the Japan Democratic Party were merged—these mergers were the beginning of the 1955 structure. That was soon after the occupation period ended with the San Francisco Peace Treaty, and I can hardly believe that such a system existed in relation to the United States. Another piece of evidence to prove that the exoteric or the esoteric side did not exist at that time is that five years later in 1960, police units were introduced to the Diet building to remove JSP Diet members who were staging a sit-down demonstration to refuse voting on revision of the Japan-U.S. Security Treaty. Backed by the JSP, student members of the National Federation of Students' Self-Government Associations carried out a revolution-like riot around the Diet building.

The cold war between the two superpowers, the United States and the Soviet Union, was unfolding in the international political arena after World War II. It developed into ideological conflicts in democratic nations, and Japan was not an exception here. In fact, Japan was one of the countries where such conflicts were most pronounced. These conflicts manifested themselves in the "1 February [1947] general strike," a direct conflict between labor and management that was staged by the Japan Communist Party [JCP] and its subordinate organization, the Sanbetsu Kaigi [All Japan Industrial Labor Unions Conference]. As the economy gradually improved and a period of high economic growth began, it became completely impossible to create a socialist society through a "proletarian revolution." Therefore, ideological struggles in democratic nations were staged to support the Soviet Union, a socialist nation, and to oppose the "imperialism" of the United States.

Such was the international trend, not just in Japan. What's unique in Japan was that the JSP continued to be spellbound ideologically by Marxism and communism, while socialist parties in Western Europe detached themselves from communism and Marxism, upholding social democracy or democratic socialism, a term created after the war—they even opposed the Soviet Union and supported the North Atlantic Treaty. Let me restate this more accurately: When the JCP was quite influential in labor movements and among intellectuals immediately after World War II, the JSP made it clear that it was a party for social democracy. But, as it gained political power during the Katayama cabinet, and subsequently lost it, the left wing increased its power. At the time of the peace conference in San Francisco, the left wing agreed to the JCP's "opposition to the unilateral peace treaty," and the Sohyo [General Council of Trade Unions of Japan] that had been created to counter the Sanbetsu Kaigi joined the camp, and made a "complete turn to the left."

Due to arguments for and against the peace treaty, the JSP split into left-wing and right-wing parties, which were subsequently reunited in 1955 under the hegemony of the left-wing members. Four years later, those members who followed the idea of democratic socialism left the JSP and formed the Japan Democratic Socialist Party [DSP]. Ever since then, the JSP [now called the Social Democratic Party of Japan (SDPJ)] has been essentially a left-wing party, although it retained some right-wing members.

The SDPJ's Subrogation of a Communist Party

About the time when the "1955 structure" was formed, the JSP was not a revolutionary party—incidentally, even the JCP no longer tried to carry out revolution, either. However, it regarded socialist countries (those countries where communist parties had political power) in the world as its friends and the United States as its foe, equating capitalism with imperialism and practicing "class struggles" as in the advanced, industrialized countries. Again, this was an international trend, not unique to Japan only. What's unique in Japan was that the JSP subrogated a communist party.

Compared to a real class struggle, this seems like a compromise. As Mr. Yazawa points out, the SDPJ has never presented any programs or actions for social change. This probably gave a fitting reason for Mr. Eto to hypothesize about the "esoteric side." However, it is doubtful if the "esoteric side" existed in the "pro U.S. versus anti U.S." issue, which is the core of Mr. Eto's argument. If "demilitarization and neutrality" that were advocated by the SDPJ had actually been carried out, it would have been tantamount to giving Japan to the Soviet Union. (Here, it was clear from such cases as the Korean war and Afghanistan that the Soviet Union would invade Japan. However, it doesn't mean that the SDPJ wanted that to happen. For ideological reasons, the SDPJ didn't believe that socialist countries would ever invade other countries.) As Japan achieved an extraordinary economic growth by limiting its defense cost to less than 1 percent of its GNP under the the Japan-U.S. Security Treaty system, the SDPJ's policy to play down the need for military installations could be interpreted as a welcome input to reduce Japan's military expenditures. However, that is an argument based on the results, and I don't think there was any intentional, tacit agreement. At least, it was not considered as a subject for politics of Diet affairs. I believe that throughout there were ideological conflicts some converted kinds of class struggles. And the SDPJ's uncompromising attitude toward the security treaty issues was evident in its tenacious opposition even in 1992 against the passage of the PKO [peacekeeping operations] bill.

But, then, why did the recent political change—formation of the LDP-SDPJ coalition cabinet led by the SDPJ's chairman—come about? I believe that reasons lie in the economic recession following the stock market crash of 1990, the end of the LDP's one-party dominance in 1993, and the results of the general election this summer. But, in order to understand this, we must make a detailed review of the changes in the political situation in the past year or so, because only through thorough examination of such details, we can unravel the historical truth.

The recession shook the social foundation for the "esoteric side" of the 1955 structure. After a series of money-soaked scandals, the LDP broke up over the issue of reform of the electoral system, and lost its political power after its defeat in the 1993 election. Although the SDPJ experienced a much heavier defeat in that election than the LDP, ironically enough, it joined a coalition to form a "non-LDP cabinet" and to participate in government. At its formation, this new coalition cabinet stated that it would continue to hold to the former cabinet's foreign and defense policies. As the largest leading party in terms of the number of seats in the Diet, the SDPJ had the largest number of cabinet members, but it did not occupy major posts in foreign and defense policy areas as well as in others. Also, it neither made nor was asked to make any special explanations on why it joined the cabinet or how this participation could be reconciled with its policies on demilitarization and neutrality. The reason for this was that the leaders of the coalition considered the SDPJ's participation as temporary. In fact, if this coalition cabinet continued to exist and decided on redistricting for the small constituency system, and if a general election took place under this new electoral system, the SDPJ would most likely have been excluded from the coalition, or it would have broken up, with only some members remaining in the coalition.

When Hata's coalition cabinet was about to start a new beginning by creating a policy consensus, several factions, excluding the SDPJ and Komeito, made a rash act of forming "Kaishin," and the SDPJ left the coalition. Then, when Hata's minority coalition cabinet was forced to resign en masse after two months in power, SDPJ Chairman Murayama's cabinet emerged unexpectedly and surprised the people by stating that the SDPJ would discard its policy of demilitarization and neutrality, and that it would acknowledge the Rising Sun flag and the *Kimigayo* anthem. In addition, as I frequently mentioned, the left-wing SDPJ subrogated a communist party in foreign policy areas, and it contains rightists and leftists within. The rightists were the main force earlier in deciding to participate in the Hosokawa coalition cabinet, and this time the leftists actively planned for creating the recent coalition with the LDP and formed a cabinet. All this seems quite contradictory, but we must not fail to recognize that there existed appropriate reasons and political logic.

A Coup d'Etat by the SDPJ's Leftists

During the cold war, class struggles in democratic nations meant anti-U.S. campaigns in support of the Soviet Union. As the end of the cold war meant disappearance of the Soviet Union, these class struggles must have lost their objectives. However, even though the Soviet Union disappeared, the United States and its military ally, Japan, still exist. Therefore, class struggles can still be carried out against these nations. In particular, the leftists who subrogate a communist party must continue such struggles. Especially as Japan seems inclined to strengthen its political power commensurate with its status as an economic superpower, they can use their slogan to "defend the Constitution" as a fitting campaign against such an inclination.

On the other hand, however, splinter groups from the LDP did well in the general election that took place after the breakup of the LDP, and the SDPJ experienced its worst defeat in the postwar period. Although the SDPJ participated in the coalition cabinet that was formed after the election, its status was no doubt temporary in nature.

After the 1990-1991 Gulf war and after being asked, Japan paid a large sum of money for war expenses. However, as this payment was not appreciated at all, some people in Japan, including the SDPJ's rightists, began to think seriously about the need to make international contributions and to review the Constitution for that purpose. Therefore, the defeat in the election must have been thought of as a major crisis by the SDPJ, especially by its leftists who had been the source of energy for struggles. After the collapse of the Hosokawa coalition cabinet that had been supported mainly by the SDPJ's rightists, the leftists had to come up with some magical plan to revive themselves. They could find no other plan but to form a coalition with the LDP, an opposition party like themselves at the time. To form a coalition, they had to discard their policy of demilitarization and neutrality, and if they did, they would certainly be criticized as being capricious. However, with the disappearance of the Soviet Union, the policy of demilitarization and neutrality not only completed its mission but also became meaningless; it need not be kept. What is needed more than this policy is to stop the Self-Defense Forces from becoming military forces and playing an international role like those of sovereign countries in the world. Although the leftists could not stop the PKO bill from becoming law, their opposition and resistance have kept the law inadequate. Their main fighting ground now is in preventing this law from becoming stronger under the name of the Constitution. On the other hand, luckily enough, the LDP had a strong desire to regain political power in any way possible. Also, there was the Sakigake [Harbinger], a small and sciolistic political party that believes in "new Toryism." Through a tie-up of these three parties, an unexpected opportunity emerged for the SDPJ's leftists to regain political power. Despite being termed an illicit union or whatsoever, their political savvy to grab this chance deserves admiration.

Here, the LDP also had "doves" who wanted to "protect the Constitution," and the fact that the majority of its leaders were doves was certainly a major contributing factor to the success of the stratagem—it has nothing to do with the "esoteric side" of the 1955 structure. The LDP had Takeo Miki, a heretic who did not vote for the San Francisco Peace Treaty, and the Miki faction was always a minority faction within the LDP. However, when conflicts among factions made it difficult to manage the LDP, Miki was elected prime minister as a last resort. The reason why a dove was selected as party president this time after the loss of political power following defection of party members is that in securing political power in the future, it would be advantageous for the LDP to present itself as a party distinctly different from Shinseito [Japan Renewal Party].

In Japan, political parties emerged early to campaign against clan-based politics. And, as fights among these political parties began early, the tendency to join hands with opposing clans—later, military bureaucrats—existed early. Therefore, the recent movement of the LDP followed this trend, and it was not based on the "1955 structure" at all.

In any event, the Murayama cabinet was born, offering many topics for discussion. Its formation is indicative of the nature of Japan's party politics, but the situation here is something new. It is a successful attempt at a coup d'etat by the SDPJ's leftists, who felt a crisis. It shifted the axis of Japanese politics to the right, but as it solidified the barricade to stop Japan from becoming a nation of international standing, it meant an advancement of and a victory for the leftists.

The World That Emerged at the "End of History"

After all, the coalition was an illicit union of the LDP and the SDPJ, and some people may think that this kind of illicit union will not have much effect on the world trend or Japan's future. But, that is not the case at all. I fear that the event may turn out to be extremely harmful for Japan's future. Why? Here, we must look at the world situation after the end of the cold war and forecast the future.

Between 1989 and 1991, when the cold war ended after a 40-year existence, Francis Fukuyama, a Japanese-American, published a thesis called, "The End of History?" The thesis stated that the social structure based on liberal democracy won over such totalitarianism as communism and Nazism in the end. However, it did not clearly depict an image of what kind of society or world would emerge after the "end of history." What actually ensued were tribal conflicts in various regions, such as Central Asia, the Balkan states, and Africa. Yugoslavia was dissolved, and civil wars continue in Bosnia and Herzegovina. All these are affairs taking place in remote areas of the world. But, even the United States, the victor in the cold war, is suffering from huge budget and trade deficits as a price for this victory, and its society is experiencing such painful diseases of mass democracy as egocentrism, drugs, juvenile delinquency, and disintegration of families. Also, Western nations of capitalism, a system that achieved victory, are more or less suffering from unemployment and inflation—they are not exactly enjoying peace and happiness in perfect contentment.

Although the situation is such, the collapse of communism as a result of the cold war has historical significance. In the 1990's, all nations in the capitalist world experienced an economic recession, reminiscent of the Great Depression of 1929. But, unlike in the past, nobody talks about the "fall" of capitalism, because it is impossible to transform capitalism into "socialism." Although in the 19th century the theory was already proved wrong that capitalism as an economic system would inevitably lead to mass poverty and revolution as Marx propounded, the Great Depression of 1929 through 1932 gave rise to such totalitarian control as Nazism in Germany. But, as the lesson learned from this experience is so profound, a repeat of such a situation is unthinkable. Also, as the people learned from Keynesianism on how to overcome a great depression, the current recession seems likely to be over sooner or later, and in fact the economy is on its way to recovery.

Paul Kennedy's thesis in his book entitled *The Rise and Fall of the Great Powers* (although this is not a new theory)—when a nation develops into a world-class empire, the cost of maintaining its status exceeds the revenue, and as a result the nation begins to falter—does seem to fit the case of the present-day United States. To be sure, the United States experienced a worsening of its economic condition because of the cold war, and its relative status in the world declined. However, it is still significant that the United States won the cold war. The decline of its power doesn't mean that the United States as a nation will perish. Compared to the Soviet Union that dissolved itself and Russia as its remnant that fell to the rank of a "developing country," the United States is still the number-one nation in the world in terms of GNP—its resurgence is still possible through an economic recovery.

The view was once popular that the world had entered an era of rising nationalism after the cold war. As mentioned earlier, however, such was the case in underdeveloped regions of the world. In economically advanced nations, on the other hand, formation of wide-area economic blocs beyond national boundaries has become prevalent. A typical example is the EU in Western Europe, which began as the EEC in the 1950's and showed a clear revival of Western Europe as the EC in the 1960's. Although it still has some problems to solve, such as currency unification, before it can transform itself into a truly unified Europe, it has undoubtedly created a major trend in the present world.

In response to the EU, the United States formed a NAFTA [North American Free Trade Agreement] region with Canada and Mexico. In Asia, there has been significant economic development in various East Asian nations, which used to be called the NIC's [newly industrializing countries] and are now called the NIE's [newly industrializing economies]. ASEAN, which was originally formed as a union for security purposes, has been increasing its economic significance tremendously.

The most significant phenomenon in the postwar world was an emergence of Japan as an economic superpower. Japan is now the second to the United States in terms of GNP, and number one among superpowers in terms of GNP per capita. Consequently, a widespread view is that the world in the 21st century will be divided into three major economic powers—the United States, the EU, and Japan. This view seems to be well grounded as far as the currently available statistical data are concerned. And, it also seems praiseworthy that Japan as one nation is competing against the EU and NAFTA. However, we must recognize that serious consequences lie ahead.

A Consequence of Self-Centeredness

We must consider first what made Japan's postwar economic prosperity possible. Of course, there are such contributing factors as the intellectual ability and industriousness of the Japanese people and the fact that Japan had already developed as an advanced industrial country prior to the war. But, we should not forget that Japan's economic prosperity was made possible largely due to the position Japan was placed in within the international community during the postwar period. Japan's security has been guaranteed largely by U.S. military power under the Japan-U.S. Security Treaty. And, as mentioned earlier, Japan has been able to limit its defense budget to less than 1 percent of its GNP, a low budget that is unheard of in any countries in the world. As military spending is outside the reproductive process in a nation's economy, such a low budget is undoubtedly beneficial for economic growth. Here, the United States had a completely opposite experience; in absolute terms, it incurred military expenditures of more than ten times Japan's defense spending.

This huge military spending has been a major cause of the U.S. budget deficit as well as a reason for its trade deficit, a large portion of which is from its trade with Japan. On this point, some Americans criticized Japan for its "free ride" on defense, but the U.S. Government did not make any official remark on this, partly because playing the role of the world's policeman was its pride as well. However, as Japan's trade surplus against the United States did not decrease at all, the U.S. Government began to make demands to Japan that are equivalent to interference in domestic affairs under the name of the so-called "framework talks." As a method for economic negotiations, this was quite unfair. But, Japan seems to have been much more unfair, because prior to such negotiations, it had been letting the United States bear a large portion of the cost of its security and thereby drawing large benefits.

Japan's postwar economic development was phenomenal indeed, but it contained extreme weaknesses. Japan depends on imports for most of its food supply, energy sources, and industrial raw materials, and therefore, its economy is based exclusively on free trade. But, this free trade system is maintained by U.S. military power. In this sense, we have to have an alliance with the United States to maintain our economy.

We understand the existence of three major economic powers—the United States, the EU, and Japan—in today's world, and at the same time we know that such economic powerhouses as the NIE's and the ASEAN countries are on the rise in Asia. Here, the issue is Japan's relation with these powerhouses in Asia. Can Japan create a wide-area economic bloc or some kind of a common community with the NIE's and the ASEAN countries, like the EU did in Europe? I believe this to be extremely difficult or almost impossible, although I cannot explain the reasons in detail here. Along with the economic rise of the ASEAN countries, the relationship between the ASEAN countries and the NIE's has been strengthening in recent years, and formation of an East Asian economic region certainly seems a possibility here. In response, the United States has already been moving toward formation of an APEC (Asia Pacific Economic Cooperation) by connecting with this evolving relationship, but this move is not necessarily welcomed as such by East Asian nations, and at the same time it is making Japan's position a difficult one as a go-between.

However, the real difficulty for Japan in the future will come about in relation to China.

Following the collapse of the communism in the Soviet Union, the future of China as a large communist nation has been attracting attention in the world. The end of a socialist economy seems certain in China as well, but the focus of the attention is on what will happen to the political structure based on single-party control, and on whether China will be able to make a "soft landing" in the inevitable process of transforming itself "from socialism to capitalism" without much confusion as happened in the Soviet Union.

Although the "Tienanman Square incident" occurred in 1989, China has not experienced nationwide confusion like in the Soviet Union. The Communist Party's control has not been wavering there. Instead, it has been reported that introduction of capitalism on a regional basis under the Communist Party's leadership has been a great "success." Is it a true success? What will be the relationship between capitalistic regions and others? If this country with about 1 billion citizens can create a "nation" based on a market economy, it will be the strongest community the world has ever seen. Some people believe it impossible, but there is also a high expectation on China's unknown quantity for the future.

At least in the present world, and especially among advanced industrialized countries, China is in fact the focus of attention. Traditionally, the United States in particular has a high level of interest in and evaluation of China. Its East Asian policy has been focused on Japan only for the past several decades.

Today, Japan is prospering by allying itself with the United States. But, the Japanese people must understand correctly that this prosperity is based on Japan's dependence on the United States, and that there is an inherent unfairness in this relationship. However, most of the Japanese people today are not aware of this fact. Instead, they tend to applaud when Japan says "no" to U.S. intervention in the Japanese economy. Also, some people try to stir up anti-U.S. sentiments by using the anniversary of the atomic bombing of Hiroshima. At the same time, some others try to sanctify such an egocentric dogma as "one-state pacifism" by glorifying the Japanese Constitution—a product of the early U.S. occupation policy—as a "permanent code of laws."

The recent political change is significant because it spotlighted the above-mentioned tendency in Japan. For some time, Japan has upheld the "UN-centered approach" as its foreign policy. However, as soon as the time was ripe for Japan to become a permanent member of the UN Security Council, the sciolistic Sakigake called a halt, and the foreign minister, the LDP president, agreed to this call immediately. This is a manifestation of a desire to stop Japan from taking an active role in international security.

According to Mr. Sachio Suzuki's report in the previous issue of this magazine, leading newspapers in the United States have been extremely critical of the Murayama cabinet. As Mr. Suzuki pointed out, such criticism might be due to a lack of understanding on Japan's internal affairs. But, I think there is much truth to the criticism. What's important is that such public opinions reported in newspapers will eventually be reflected in the government's attitude. Even then, the United States is potentially more sympathetic and expectant toward China than to Japan. China's development in the future is open to conjecture. But, unless Japan recognizes its indebtedness to the United States and makes sincere efforts in the area of international contribution instead of being too preoccupied with the sale of products in the world, the United States will surely leave Japan and extend its friendship to China.

Japan's future can be ascertained only by strengthening its alliance with the United States and trying to cooperate with the East Asian economic bloc that will develop further in the future. By doing so, Japan will be able to accomplish its role in the history of world civilization to act as an intermediary for Eastern and Western cultures to complement each other, I believe. But, if Japan continues to take a self-centered approach that lacks concerns for others, the consequence will be nothing but isolation and degeneration.

Bureaucratic Shift in New Administration Viewed

942A0749A Tokyo SEIKAI ORAI in Japanese Oct 94 pp 36-39

[Article by Taro Wako, economic journalist]

[FBIS Translated Text] Attention is shifting from Ozawa to Takeshita in Kasumigaseki. A change is happening to the bureaucrats, Japan's brain.

Establishment of the Murayama administration came as a great surprise for Kasumigaseki. It is said that those who were most surprised to find out the names of the people assigned as ministers were the bureaucrats who belonged to Ministry of Finance [MOF]. Those bureaucrats had never given information about the welfare tax plan to Masayoshi Takemura, who was chief cabinet secretary during the Hosokawa administration, causing him to lose face as the one who was supposed to be the prime minister's right-hand man. Thus it was just a short while ago when the relationship between the government and MOF had turned for the worse.

Although ministries and agencies have just shifted their attention from the Liberal Democratic Party [LDP] to Shinseito [Japan Renewal Party], the LDP is reviving again.

However, the MOF, which is supposed to be "the bureaucrats" of bureaucrats, has begun to make the trek to the LDP's Takeshita, sending their officials to him.

Many in the political world are astonished at how quickly MOF is changing. However, some in the ministries and agencies predict the big shift to the LDP, saying, "What the MOF represents is 'the true value' of bureaucrats. Every ministry tends to imitate the MOF by following its moves." Kasumigaseki's "Ozawa shift" is quickly changing to a "Takeshita shift."

"We better take back seats." Lately, this is what MOF bureaucrats often say. Bureaucrats are being criticized by the United States, and domestically, MOF bureaucrats are accused of manipulating the administration of the country behind the scenes. They must think that since they cannot win no matter what they do, they might as well stay quiet. However, I also think that they are regretting the way they handled the situation during the Shinseito era, when the "Ozawa-Saito" line had been decided.

In the past year, when the LDP had fallen to become a nongovernment party, Kasumigaseki completely shifted its attention to Shinseito. It was not just the bureaucrats who shifted to Shinseito. The financial world and individual industries all turned their attention to Shinseito. They agreed on one point, which was that they all predicted that "there will never be another LDP government."

"I have experienced more than enough what it was like to become a member of a nongovernment party" (an LDP executive). The LDP headquarters in Hiraga-cho, Tokyo, once had an interminable succession of visitors during the budget compilation period. However, as soon as they went out of office, it became deserted. It is not hard to imagine that "it became LDP's top priority to regain its territory lost to Shinseito." The strategy of LDP, which knows the value (weight) of power, is to stay in power as long as possible once it is are in power. They have confidence that they can regain the trust of the industrial world and bureaucrats after handling two budget compilations. In the meantime, regarding those who forsook them and turned to Shinseito, they were going to "punish them over a long period of time" (an LDP executive). The LDP's grudge against Shinseito is tremendous.

Reviewing the lineup of those who have been sent to the lost territory in Kasumigaseki, Ryutaro Hashimoto, who knew bureaucrats inside out, was sent to the Shinseito-infected Ministry of International Trade and Industry [MITI]; Shizuka Kamei, who was self-assertive, was sent to the Ministry of Transportation, which had many rights and interests; Yohei Kono , who was a man of a different stamp was sent to the Ministry of Foreign Affairs. Mr. Hashimoto, minister of international trade and industry, has experience as Minister of Finance and is well-versed in Japan-U.S. economic problems; he will be throwing a word in the overall Japan-U.S. trade issue. In addition, the LDP has other posts. Isao Maeda is minister of justice, who watches over judicial authorities and Public Prosecutors Offices. Hiromu Nonaka is minister of home affairs, as well as national public safety commissioner, who directs the police nationwide. Mr. Nonaka is said to be at the forefront of the anti-Ozawa movement in the LDP.

On the other hand, taking a look at the personnel within the party, Keizo Obuchi, who took over the Takeshita faction, became the vice president of LDP, and in reality he has more power than Yohei Kono, who is LDP president. He held the additional post of Election Headquarters director and held the decisive power in approving candidates as well as controlling election funds.

The elders in the party, Yasuhiro Nakasone and Michio Watanabe, have lost influence drastically due to the recent controversy in electing the prime minister. Hiroshi Mitsuzuka, whose faction was forsaken by many of its members to join Shinseito, has very little influence anymore. According to those who know the political world very well, the LDP has become the "Takeshita party."

Minister Hashimoto of MITI, "Has the Vice Minister by the Neck"

The MOF's shift to Takeshita was completed overnight. There is no other ministry which is kinder to Mr. Takeshita than the MOF. This means Takeshita has a very deep understanding of finance, and the bureaucrats trust him. Also, those who once worked for Takeshita as his secretaries occupy important posts in the MOF, and Takeshita is well informed of the things that go on in the MOF. Needless to say, Tax Bureau Director Yoshimi Ogawa, who used to be a private secretary to Mr. Takeshita, was among the MOF executives who paid visit to Takeshita immediately following establishment of the Murayama administration.

I want to stress that there is no other government office that works more seriously to enforce policies than the Ministry of Finance. However, its policies result from financial situations, such as tax increases, and actualization of such policies is a delicate matter, requiring a balancing act on its part. The ministry often cannot help but cross a "dangerous bridge," and I sympathize with Vice Minister Saito, who, as a result, has been given a negative reputation of controlling from behind the scenes.

However, in any case, the reputation of "Vice Minister Saito" is spreading in public, and the policy MOF values most, the tax reform centering on the consumption tax increase, is beginning to be under a dark cloud. The one causing this dark cloud is said to be the LDP.

As a matter of course, there is a whirlpool of grudges against Ozawa and Shinseito in the LDP. They tend to oppose any policy of the former coalition government based on their feeling. "We cannot allow Vice Minister Saito to laugh boisterously as a result of our hard work," is the common feeling among LDP Diet members. Though Mr. Takeshita is close to the MOF, naturally there is a limit to what he could do under these circumstances.

At the end of July, the coalition government's tax reform project (Tax Commission) meeting was held. LDP members insisted on the fundamental principle that, "in order to discuss tax system reform, we should first discuss the desirable balance of income, consumption, and property taxes." On the other hand, Social Democratic Party of Japan [SDPJ] members pointed out the fact that "LDP had agreed to the policy of SDPJ and Sakigake," and showed their positive position to have the tax reform bill approved within this year, including the consumption tax increase. Tax Bureau Director Ogawa, who was present at the meeting as an observer, and other executives from the Tax Bureau were puzzled, saying, "LDP or SDPJ, it is hard to know which is which."

MITI, which had been in great turmoil due to the personnel problem involving a minister firing a director, was shaken up again by the LDP's return to power. In the last budget committee meeting, the LDP persistently questioned them about the personnel problem. It showed MITI's anxiety about LDP's comeback.

According to MITI-related people, immediately after the Murayama administration was established, Vice Minister Kumano consulted Mr. Hashimoto, who was to be MITI Minister, concerning the personnel problem within MITI. In his first interview after he took office, MITI Minister Hashimoto stated, concerning the personnel problems and the issue of displacement of the former director of the Industrial Policy Bureau, Mr. Naito, "I do not want to talk about the past. I hope that MITI's office personnel will feel unified again," and he made clear that he will not question the past.

Also, in the first ministerial meeting after the cabinet conference, when several ministers disagreed with the decision of MITI and the MOF concerning their vice ministers' remaining in office, Mr. Hashimoto said, "(Concerning personnel in government offices,) politicians give their opinions if requested, but the opinions of those who possess authority over personnel matters should supersede those of politicians in the final analysis," and he settled the matter there.

With this blow by the "big minister" at the beginning, MITI's bureaucrats were discouraged, saying, "We owe him one. Mr. Hashimoto has the vice minister by the neck" (a leading executive).

Those who are expert at the political world and know Mr. Hashimoto well do not think that he will settle with such a whitewash that "the opinions of those who possess authority over personnel should supersede in final analysis." Mr. Hashimoto has the personality to show his influence as "the most powerful candidate for the next prime minister," and naturally he does not want to be treated on the same level as the personnel problem of his predecessor.

Hashimoto is known as one of the politicians who have great interest in the Kasumigaseki's personnel. He has special interest in those who once worked for him. The chief secretary, who is in charge of personnel, gets instructions directly from Mr. Hashimoto, requesting, "let so-and-so experience such-and-such a field next."

His grasp of MITI is accurate and quick. Even Vice Minister Kumano, who is assumed to have already capitulated, could be reinstated if Minister Hashimoto is willing.

Some in MITI are predicting major personnel changes in late August or the beginning of September. However, no one beats a dog that comes to you wagging its tail. For Mr. Hashimoto, it would be far more advantageous to think of a way to deal with former director Naito.

The LDP has lost its connections with the industrial world in the past year while it was away from power. MITI is the key government office to reestablish these connections. Mr. Hashimoto's keen judgment is that it is not wise to play around with personnel matters and provoke the MITI bureaucrats.

The news that Yohei Kono, president of the LDP, was assigned to be its head, cast a chill over the Ministry of Foreign Affairs. Many in the Ministry of Foreign Affairs are close to Ozawa, and they could not hide their disappointment, saying, "winter has come to the Ministry of Foreign Affairs," and "the strangest thing has happened."

The greatest problem the Ministry of Foreign Affairs has is the issue of Japan's becoming a permanent member of the UN Security Council. In his first interview after his appointment, Mr. Kono, deputy prime minister and minister of foreign affairs, stated, "We need to first establish a situation where people can decide whether to go ahead with it or not. This issue is too big to decide without such an understanding from people." The executives of the ministry were greatly shocked at this negative statement by the Foreign Minister. On the other hand, concerning this ministry's other pending problem, the Japan-U.S. economic framework talks, many are expressing their distrust, saying, "The new minister does not seem to have an intention to break through the economic framework talks with the United States. He seems to leave it to Mr. Hashimoto" (an official of the ministry).

The battle between the proud foreign affairs bureaucrats and Mr. Kono is coming to a crucial moment.

Bureaucrats Who Do Not Listen Should Resign

The Ministry of Transportation, where Shizuka Kamei, who is one of the most assertive in the LDP, was appointed minister, is in utter confusion.

Implementation of a plan to contract stewardesses, which was decided by domestic airlines, such as JAL [Japan Airlines], which were suffering stagnant business results, was canceled due to the minister's statement, "This plan has a problem with safety." Officials at the ministry's Civil Aviation Bureau, who had pre-approved the plan in their earlier consultation, completely lost face.

Contract stewardesses' terms are short, and they earn hourly wages. The annual income of a regular stewardess would be 7-8 million yen. In comparison, a part-time stewardess makes only about 2 million yen a year, and airline companies were expecting this plan to be the main strategy in cutting labor costs. Regarding the time of implementation of this plan, Japan-Asia Airlines [Nippon Ajia Koku] was already planning to put 30 part-time stewardesses employed through connections on board its international lines starting in September. Mr. Kamei seems to maintain his firm position saying, "I have no intention of compromising on safety, and I can never allow such a plan."

Many say that Mr. Kamei's attitude is because of his grudge against the Ministry of Transportation, JAL, and others, which turned to Shinseito during the last administration. However, Minister Kamei seems to be oblivious to such remarks.

"It is natural that policy changes when the administration changes." "I will have those who do not listen resign." He is acting wild in the Ministry of Transportation.

The LDP's choice of policies will be based on its grudges against Shinseito and Ozawa for a while. Since this is a near relationship hatred, policies alone cannot settle the problem. Going back to the original topic, the MOF is desperate in working toward tax system reform. For bureaucrats, execution of policy is absolute. And politicians are the means to achieve it. If the trust between bureaucrats and politicians is firm, the government will move on.

The trusting relationship between Mr. Takeshita, an influential member of the LDP, and the MOF has become closer; however, the MOF has involved itself too deeply in the battle of grudges between Shinseito and the LDP.

When an MOF executive says, "We better take back seats," he is reflecting on the past, as well.

Mitsubishi Oil Expanding Retail Gas Operations

952A0094A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 26 Oct 94 p 14

[FBIS Translated Text] Mitsubishi Oil is tying up with a petroleum sales company affiliate of a major trading company to accelerate development of gas stations. They have concluded a designated agent contract with Nichimen Energy (Minato, Tokyo; Minoru Matsuda, president), and, in addition to opening two shops with the end of this fiscal year as the goal, they also have begun to put effort into developing stations with C. Itoh Fuel Co. and Marubeni Energy (Chiyoda, Tokyo; Tsutomu Katagiri, president). Their aim is to devise a station network with a strong management constitution utilizing trading company capital and know-how on the eve of gasoline import liberalization.

They will have a shop directly managed by Nichimen Energy in the Tama area of Tokyo, and Mitsubishi Oil will supply the product. Different from other trading companies, Nichimen Energy is centered on development of a direct management method and has accumulated much know-how on station management. It is also expected to have the effect of giving impetus to other Mitsubishi Oil-affiliated stations.

Mitsubishi Oil previously concluded designated agent contracts with both Mitsubishi Corp. Oil within the group and Sumisho Oil. The stations under the umbrella of Mitsubishi Corp. Oil amount to 470 locations. However, they are tying up with C. Itoh Fuel and Marubeni Energy starting this fiscal year and increasing the affiliated stations which they will supply via the two companies. The C. Itoh Fuel affiliates will have 11 locations and the Marubeni Energy affiliates will have 14 locations.

It has become almost certain that the Specified Petroleum Products Import Temporary Measure Law will be abolished at the end of March 1996, and there is a great probability that major trading companies will expand into the gasoline import business. They have judged that it is necessary to have a pipeline with trading company-affiliated sales companies other than Mitsubishi Trading Corp. Oil in order to manage the moves of the trading companies. Moreover, since it is comparatively easy to have complete management guidance with the major trading company-affiliated stations, Mitsubishi Oil expects that they will maintain station competitiveness even in a grim management environment with relaxation of regulations.

The view of trading company-affiliated sales companies also is that Mitsubishi Oil will strengthen its cost competitiveness in the petroleum industry in the future. That is because it has discovered a promising oil field off the shore of Vietnam and there is a strong possibility that crude oil procurement costs will be low. For that reason, it seems that their aim is to strengthen quickly their relationship with Mitsubishi Oil.

Marubeni Joins Indian Offshore Oil Project

952A0095A Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Oct 94 p 8

[FBIS Translated Text] Marubeni will participate in an oil development project in the Bay of Bengal, India. The company will join three companies such as oil development companies in both countries of India and Australia and begin production at the end of 1995. The harvestable underground crude oil deposits are estimated at 100 million barrels, and the project will operate on the scale of 35,000 barrels a day at peak hours. Total project cost is estimated at $250 million.

Marubeni has obtained the interests to the "Raba" [as transliterated] mining area which is located about 400 kilometers north of the city of Madras on the Indian east coast. It is 10 to 15 kilometers off shore, but since the water depth is a shallow 10 to 15 meters, it is said that development will be possible at low cost.

The nucleus of the project is a four-company association of the Oil and Natural Gas Commission (ONGC), the Indian state-run oil development company; Videocon International, a large local electrical machinery manufacturer; Commando Petroleum, an Australian oil development company; and Marubeni. The percentage of the rights are 40 percent, 25 percent, 22.5 percent, and 12.5 percent, respectively, and Commando will be the operator.

The association of Videocon and Commando won the successful bid for this mining area via the international bidding in spring last year. Marubeni, which has ties with both companies, now has decided to proceed in the development by the four companies which includes ONGC that is joining in the corporate association. ONGC is operating independently two oil fields in the vicinity, but the Indian Government decided on the introduction of foreign capital in order to boost domestic production.

The crude oil which the four companies are producing is light oil with a low sulfur content and for the time being, they will make supplies within India. Marubeni is setting up a plan to export to Japan by the swap method in the future. For the company, participation in oil development follows the project offshore of Vietnam, and they are thinking of continuing to undertake oil development aggressively in Asia. In Asia which is close to the Japanese market, currently China and Vietnam are approving introduction of foreign capital in oil development, and it seems that development in India also will attract attention in the future.

North Korea

Foreign Organizations Hail North-U.S. Agreement

SK0811044694 Pyongyang KCNA in English 0420 GMT 8 Nov 94

[FBIS Transcribed Text] Pyongyang, November 7 (KCNA)—Foreign political parties and public organisations released statements recently hailing the adoption of the DPRK-U.S. agreed framework.

Nine political parties and organisations of Bangladesh in a joint statement said that the adoption of the agreed framework between the DPRK and the USA concerning the nuclear problem is a great victory won by the heroic Korean people under the wise leadership of his excellency dear General Kim Chong-il.

The statement expressed the hope that the agreed framework will contribute to easing the tensions on the Korean peninsula and accelerating the reunification of Korea and appealed to the world peace-loving people to put pressure on the United States to implement the agreed framework to the letter.

Various organisations of Uganda including the trade unions, the Teachers' Association and the National Association of Students in a joint statement said the reality showed that only the DPRK-U.S. talks, not pressure and threat, can solve the nuclear issue on the Korean peninsula.

It stressed that the South Korean authorities should take to the road of denuclearizing the Korean peninsula and independent and peaceful reunification, not putting a brake on the implementation of the agreed framework.

The organisation of Senegal for Friendship With the Fraternal Korean People in a statement said that the DPRK- U.S. talks to a successful conclusion is the result of the wise leadership of his excellency the great leader President Kim Il-song and his excellency the dear leader Kim Chong-il.

It called upon the governments, parliaments, political parties, organisations of the world, international organisations to lift louder voices of solidarity so that the DPRK-U.S. agreed framework can be implemented to the letter.

Pakistan, Nepal, Mozambique

SK0511044294 Pyongyang KCNA in English 0435 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—Foreign political parties and organisations issued statements on October 24 supporting the framework agreement between the DPRK and the United States.

Ten political parties and organisations of Pakistan including the Nationalist Party and the People's Democratic Party in a joint statement said the signing of the DPRK-USA agreement was a historic event which clears the way for denuclearizing the Korean peninsula, removing the long-standing threat of war and tensions and promoting the independent and peaceful reunification of Korea under the Ten- Point Programme of the Great Unity of the Whole Nation published by the great leader President Kim Il-song.

Seventeen organisations of Nepal for support and solidarity for Korea's reunification in a joint statement described the publication of the DPRK-USA agreement as a brilliant victory of the chuche- oriented stand consistently maintained by the DPRK Government under the wise guidance of his excellency Kim Chong-il, the outstanding leader of the Korean people.

The Mozambican Committee for Friendship With the People of the DPRK in a statement said the publication of the agreement was a result of the tireless efforts of the great leader President Kim Il- song and the wise guidance of the dear leader Comrade Kim Chong-il and a brilliant victory of the peaceloving Korean people.

It urged the United States to honestly implement the agreement and help toward the denuclearization of the Korean peninsula and world peace and security.

The Bulgaria-Korea Friendship Association in a statement said the publication of the agreement was an important event which eloquently demonstrated once again the high prestige and dignity of the DPRK and that the agreement was a milestone in a comprehensive solution to the nuclear issue on the Korean peninsula.

The Russian Association for Friendship and Cultural Cooperation With the DPRK, the Afro-Asian Solidarity Committee of Mali, the General Federation of Trade Unions of Yemen and the National Teachers Union of Togo also issued statements supporting the DPRK-USA framework agreement.

Guyana, Egypt, Yemen, Kazakhstan

SK0511213294 Pyongyang KCNA in English 1520 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—An international organisation and many countries expressed welcome and support to the agreed framework between the DPRK and the United States and called for its honest implementation.

The organisation of solidarity of the peoples of Asia, Africa and Latin America in a statement October 26 congratulated the Democratic People's Republic of Korea on its great success in diplomatic negotiation and stressed that the provisions of the framework agreement must contribute to denuclearizing the Korean peninsula and preserving peace and security.

The Guyanese Government in an information October 28 said the successful adoption of the agreement is a clear evidence that different views can be unified through sincere and honest dialogue.

It hoped that the DPRK and U.S. Governments will jointly work with sincerity for the normalisation of their political and economic relations.

The Egyptian Foreign Ministry in a statement October 27 said the agreement was the first step toward the denuclearization of the Korean peninsula and would contribute to attaining the permanent and vital purpose of terminating the danger of nuclear war.

Yemeni Foreign Minister Abdul Karim al-Iryani at a talk with the DPRK ambassador to his country on October 30 said the problem of the Korean peninsula had aroused worldwide concern but people's Korea removed the worldwide danger by its masterly politics and diplomacy.

The Foreign Ministry of Kazakhstan in a statement November 2 said the results of a long course of quest for identical views brought an important progress on the way of a complete solution to the nuclear issue on the Korean peninsula, and expressed the hope that the two countries would strictly fulfil all their obligations under the agreement.

CPRF Accuses ROK Rulers of Anti-North Plots

SK0511044694 Pyongyang KCNA in English 0440 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] published its information no. 659 on Friday [4 November] accusing the Kim Yong-sam puppet clique of faking up cases against the DPRK.

According to the information, Paek Hong-yong, a former staffer of the Hangyore Movie Studio, told a press conference at the Berlin City Assembly of Germany that he had been bribed and active as a secret agent of the Agency for National Security Planning (ANSP) from 1992 and personally joined in the fabrication of a "brother and sister spy group case" on the A's order.

Paek made public video tapes recording his conversations with ANSP operatives and data about the fabrication of the case and activities of secret agents, proving that the case was faked up premeditatedly by the ANSP.

These facts tell that the Kim Yong-sam group under the "civilian" veil is persistently resorting to illegal intelligence activities even abroad by using ANSP, the center of anti-DPRK plots, as the preceding military dictators did, the information notes, and continues:

With ANSP, a notorious intelligence tool which is engaged in operation for North-South confrontation, sabotage and subversive activities, left intact, it is impossible to achieve national reconciliation and unity and the reunification of the country.

The CPRF Secretariat sternly denounces all sorts of plots maliciously framed by the South Korean rulers through ANSP, branding them as deliberate provocative acts aimed at inciting distrust and confrontation within the nation and worsening the North-South relations.

They cannot fool the world people by intrigues.

The Kim Yong-sam group must stop at once its foolish acts of inventing shocking cases for the maintenance of power and immediately release all the pro-reunification patriots arrested on unreasonable charges.

Relatives Send Letters to Prisoners in ROK

SK0611092094 Pyongyang KCNA in English 0838 GMT 6 Nov 94

[FBIS Transcribed Text] Pyongyang, November 6 (KCNA)—Letters were sent to Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners in South Korea, by their families in the northern half of the country.

Kim Hwa-sim and Kim Chong-sim, daughters of Kim In-so, in their letter said their hearts contract with pains and they are preoccupied with the urge to bring the father back to his hometown at an early date, worried over the fact that their father, nearly 70, cannot receive proper medical treatment, although he has got in the torturous prison life nervous diseases, chronic hepatitis and serious gastric, bronchial and blood pressure troubles.

Ham Suk-nyo, the sister of Ham Se-hwan, in her letter said she feels her heart bleed at the thought of her younger brother who left the hometown at the age of 19 and is now undergoing hardships away from home, with no one to support him after a prison life of tens of years.

Kim Yong-chae, the son of Kim Yong-tae, in his letter said everything seemed to him like a dream when he received a letter from his father whom he had thought dead in the war, followed by the news of him being alive.

"Though I was separated from you, dear father, in a few months after I was born, the respected leader Comrade Kim Il-song, the benevolent father of our nation, and the dear leader Comrade Kim Chong-il have granted all benefits to me," he said.

They wrote unanimously that dear comrade Kim Chong-il, the wise leader of our nation, is taking every possible measure for an early repatriation of the unconverted long-term prisoners to their hometowns where their families and relatives reside.

Noting that an active struggle for their repatriation is now being waged by political parties, public organizations and the people in the northern half of Korea, people in South Korea and compatriots overseas and in many countries, they asked old Kim In-so, Ham Se-hwan and Kim Yong-tae who have legitimate rights to return to the North to wage a vehement struggle for their repatriation.

LSWYK Urges Repatriation of ROK's Prisoners

SK0811041794 Pyongyang KCNA in English 0402 GMT 8 Nov 94

[FBIS Transcribed Text] Pyongyang, November 7 (KCNA)—The Central Committee of the League of Socialist Working Youth of Korea [LSWYK] in a statement Sunday, in the name of the entire members of the league and young people, strongly urged the South Korean authorities to unconditionally and immediately send back old Kim In- so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners, to their native places in the northern half of the country where their families and relatives live and to make a full apology for all the unwarrantable persecution of them and violation of their human rights.

The statement says:

For the South Korean authorities to refuse to repatriate the unconverted long-term prisoners hailing from the northern half of the country is an unpardonable act in view of international law or from the humanitarian point of view.

It is ridiculous of the present South Korean authorities, who are talking about the issue of "separated families" and "human rights" while blocking the repatriation of the unconverted long-term prisoners to their hometowns.

We members of the league and the entire young people in the northern half of the country will never pardon the South Korean authorities if they illegally detain the long-term prisoners and use them for a sinister political purpose, refusing to immediately send them back to the northern half of the country.

Women's Democratic Union Urges Repatriation of POW's

SK0811103194 Pyongyang KCNA in English 1022 GMT 8 Nov 94

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA)—The Central Committee of the Korean Democratic Women's Union in a statement November 7 strongly urged the authorities and the Red Cross of South Korea to unconditionally and immediately repatriate Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners, to the North.

Noting that the South Korean authorities kept those old men in prison for more than 30 years for the mere reason that they refused "ideological conversion," though they were undeniable prisoners of war and, even after their release, restrict their freedom and activity and put them under house arrest by invoking the fascist "law on supervision for public peace," the statement bitterly denounces the inhuman act of the South Korean rulers and Red Cross.

The statement says:

By persistently barring the repatriation of the old men, the South Korean authorities declared that they do not want national reconciliation and unity between the North and the South and intend to continuously violate human rights in South Korea.

The South Korean authorities are harshly violating the human rights of the innocent people, ignoring the international law on POWs and invoking the rare-to-be-seen "National Security Law" and the "law on supervision for public peace." This is a brutal act bereft of human conscience and against international justice.

If the South Korean rulers continue to block the repatriation of the old men, turning a deaf ear to the voice of human conscience, they will invite bitterer criticism and rejection from the entire fellow countrymen and the world people.

Student Alliance: 1995 Year of Reunification

SK0411225494 Pyongyang KCNA in English 2203 GMT 4 Nov 94

[FBIS Transcribed Text] Pyongyang, November 4 (KCNA)—A joint press conference was held by members of the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) and Choe Chong-nam, acting chairman of the South side headquarters of Pomchonghangnyon and delegate of the South Korean Federation of General Student Councils, in Kaesong on November 3 on the 65th anniversary of the incident of Kwangju students, at which Choe Chong-nam published a "Joint Resolution of Youth and Students of the North and South for Ensuring Peace on the Korean Peninsula and Building a Reunified Country in 1995".

The resolution manifests the determination of the youth and students in the North and the South to fight for national reunification, stating that they will make 1995 the year of national reunification by confederation formula at any cost.

Declaring a relentless struggle against all acts and legal and institutional devices for tension and confrontation between fellow countrymen, the resolution says a nationwide struggle will be waged in the North, South and overseas without the slightest compromise in case the "National Security Law" and all other legal and institutional devices antagonizing fellow countrymen are not abolished, and pass a stern punishment of the nation on all the anti-reunification and anti-national forces.

The youth and students in the North and the South will do their utmost to ensure peace on the peninsula of the motherland, the resolution says, stressing that, to this end, they will wage an active struggle on the civilian level to create an international climate favourable for ensuring peace on the peninsula including the conclusion of a peace agreement between the DPRK and the United States and launch a daring fight against all forces hindering this.

A vigorous nationwide struggle will be waged to save the peninsula from all the nuclear threat existing in Northeast Asia such as the nuclear weapons of the U.S. forces in South Korea and Japan's nuclear armament, says the resolution, and goes on:

An active struggle will be launched to ensure peace on the peninsula and make it rapidly go over to a phase of independent and peaceful reunification. The youth and students in the North and South will wage a struggle for an early opening of a nationwide meeting involving the government and civilian quarters for an agreement on the way of reunification and its amplification and elaboration.

The resolution calls upon the 70 million fellow countrymen to build a nationwide body for the preparation of a reunified state with an extensive participation of the governments, political parties, organizations and individual figures in the North and the South and Koreans overseas, declaring that the youth and students in the North and the South will do their utmost to this end.

The youth and students in the two halves of the country will work with might and main to build the internal force of the whole nation and, to this end, will further fortify the organizations of Pomchonghangnyon and briskly wage a common struggle of the youth and students in the North, South and overseas, the resolution says.

Hanchongnyon on Independence, Reunification

SK0511043294 Pyongyang KCNA in English 0426 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—The South Korean Federation of General Student Councils (Hanchongnyon) has decided to stand in the van of the movement for national independence and the reunification of the country by inheriting the spirit of the Kwangju student uprising in 1929 against outside forces, according to a radio report from Seoul.

Hanchongnyon made this resolution at a meeting which was held in Seoul Thursday [3 November] to observe "Day of Students".

Meanwhile, Chairman of Hanchongnyon Kim Hyonchun, who is on the want list, said that day that Hanchongnyon should develop into a broader body, accepting the demands of various organizations.

ROK Hanchongnyon Delegate Choe Tours North

SK0611084994 Pyongyang KCNA in English 0828 GMT 6 Nov 94

[FBIS Transcribed Text] Pyongyang, November 6 (KCNA)—Choe Chong-nam, delegate of the South Korean Federation of General Student Councils (Hanchongnyon), continued his tour of the northern half of the country.

After inspecting the West Sea barrage cutting eight kilometres across the rough sea, Choe said it was regrettable for him to see the gigantic barrage alone. "Reunification should be accelerated so that the one million students of Hanchongnyon and their parents can come here to see and feel the resourcefulness and wisdom of our nation here and boast it to the world," he said.

He toured Kaesong area.

In Panmunjom he said he felt bitterer pain at the tragedy of national division, seeing at first hand the Military Demarcation Line [MDL] which artificially bisects one territory and one nation.

"The cursed wall of division," he said, "will surely be torn down like ice in the thaw in spring and the ore in the furnace by the patriotic struggle of the people and students in the North and the South who are so ardently longing for reunification."

After seeing the concrete wall built in the area South of the MDL, Choe Chong-nam wrote in the visitor's book that the students in the North and the South would pull down the concrete wall on the very day when the country is reunified. "We will wage a tireless struggle for the day," he added.

He also met with students of Koryo Songgyungwan, Songdo University and Kaesong University of Arts and visited the Koryo Museum, the tomb of King Wang Kon, the founder of the Koryo dynasty, and Pakyon Falls.

Kim Yong-sam Officials' 'Lobbying' Denounced

SK0811043394 Pyongyang KCNA in English 0410 GMT 8 Nov 94

["They Can Get Nothing by 'Lobbying'"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 7 (KCNA)—The traitor Kim Yong-sam, the puppet prime minister and other riffraffs recently "entreated" foreigners to convey to the North their "policy" of "not unifying the country through absorption" and to give them "much help" in "removing distrust" between the North and the South.

It is a ridiculous and indiscreet act.

It should be recalled that the Kim Yong-sam group persistently engaged itself in "lobbying" vis-a-vis the United States to obstruct the DPRK-U.S. talks.

They experienced a hot agony of shame under the eyes of the world while resorting to a mean "lobbying diplomacy" in a bid to realize a sinister purpose. But, far from drawing a proper lesson from this, they are still persisting in "lobbying", out of their right senses. How ignorant fools they are.

And the content of the puppets' "lobbying" among foreigners lacks sincerity and reasonableness.

Some time ago, the traitor Kim Yong-sam in his "address on ROK Army day" blared that "unification under the liberal democratic system" is his "goal and dream". This fully revealed his fantastic dream of "unification by prevailing over communism" and "unification by absorbing the North" to extend the colonial fascist system of South Korea to the North with the help of foreign forces.

No matter what rigmarole he may spin out, having an ax to grind, such a transparent camouflage cannot go down with anyone.

It was none other than the Kim Yong-sam group which turned the trend of national reconciliation back to the original point of confrontation by pointing the dagger at the fellow countrymen in bitter grief, far from expressing condolences on the unexpected misfortune of the nation, and it was again the group of traitors which barred South Korean figures of various circles from visiting the tomb of the ancestral father of the nation, thus making it plain that it did not want to pave the way for national reconciliation and unity.

At this very moment, the Kim Yong-sam group is staging the provocative "Eagle 94" joint military exercises against the North in South Korea with the U.S. military conservative forces, giving off an odious powder smell.

These war-thirsty elements seeking confrontation are trying to save their face under public eyes at home and abroad by pretending to want national reconciliation and peaceful reunification, but it is of no avail.

The Kim Yong-sam group has been branded as human derelicts inferior to brutes who cannot be treated as human-beings or fellow countrymen for their criminal acts against the nation, ethics and reunification and has become a target of overthrow who cannot be left alive any longer within the nation.

The Kim Yong-sam group should clearly know that it can get nothing by clinging to the coattails of outside forces in "lobbying" and such flunkeyist act depending on outside forces will bring it to destruction.

Kim Yong-sam Denounced for 'Antinational Crimes'

SK0811051594 Pyongyang KCNA in English 0505 GMT 8 Nov 94

["Colonial puppets devoid of independence must be thrown into dustbin of history"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA)—Only the dustbin of history is awaiting the colonial puppets, the flunkeyist traitors who try to do harm to fellow countrymen in conspiracy with outside forces, throwing overboard the dignity and independence of the nation at a time when defence of independence, the lifeblood of the country and the nation, is the main trend of history, declares NODONG SINMUN in a by-lined article today. Dealing with the anti-national crimes of the Kim Yong-sam group of South Korea and its poor lot, it says:

The publication of the agreed framework for the development of relations between the DPRK and the United States touched off a burst of criticism of the Kim Yong-sam group in the political and public circles of South Korea.

When talks began between the DPRK and the United States, the Kim Yong-sam group made desperate attempts to lay hurdles in the way of the talks and lead the situation to stifling the DPRK, crying for "military countermove" and "international cooperation system."

What did the South Korean rulers get from their poor lobbying diplomacy and mendicant trips to hurt fellow countrymen in conspiracy with outside forces? As the saying goes, the dog barked and the procession went on. The DPRK-USA talks made progress and a historic framework agreement was adopted between the DPRK and the United States. What the Kim Yong-sam group gained, if any, is that it revealed to the world its ugly and wretched colour as a group of traitors who remain indifferent to the country and the nation and do not want peace and reunification of the country and as a group of colonial puppets who dance to the tune of outside forces without their own principle.

History shows that the flunkeyist traitors who betrayed the country and the nation, following outside forces without independence, have been severely judged by history and the people as the heinous enemy of the nation and met a disgraceful end without exception.

The fate of the Kim Yong-sam group will not be otherwise.

Paper Claims ROK's ANSP Fabricates Cases

SK0811050294 Pyongyang KCNA in English 0434 GMT 8 Nov 94

["'ANSP' Must Be Exploded"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 7 (KCNA)—Paek Hong-yong, a former staffer of the Hangyore Movie Studio of South Korea, laid bare the ugly sight of the "Agency for National Security Planning" (ANSP), a plot-breeding center. Commenting on this, a NODONG SINMUN analyst today says:

At a press conference held at the Berlin City Assembly of Germany a few days ago, Paek Hong-yong said that he had been hired as an agent of the "ANSP" from 1992 and the "spying case of brother Kim Sam-sok and sister Kim Un-chu" which was made public in September last year had been faked up by him on the instructions of the "ANSP".

He proved this fact, displaying video tapes showing his dialogues with "ANSP" operatives and materials on intelligence operations.

The Kim Yong-sam group has fabricated many false cases through "ANSP" to foster distrust and confrontation within the nation and sidetrack the attention of the people and thus get out of a serious crisis. Only recently, they invented "a case of self-surrender of student spies, a married couple studying abroad" who had allegedly served the North, thus inciting antagonism between fellow countrymen.

Facts clearly show that the Kim Yong-sam group is the most heinous enemy of the nation, the enemy of reunification.

"ANSP", the pronoun of intrigues and fascist suppression, must be exploded without delay and the traitor

Kim Yong-sam who is prolonging his dirty life by staking his lot on it and bringing misfortune to the nation, must be punished immediately.

Latin American Parties Urge Abolition of NSL

SK0511110094 Pyongyang KCNA in English 1026 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—The solidarity committee of political parties and fronts in the Caribbean and Latin America for support to the South Korean National Democratic Front and the South Korean people's cause of struggle issued a statement on October 29, demanding the abolition of the "National Security Law" [NSL] of South Korea.

The statement says:

"As the 'National Security Law' is the main evil law blocking the South Korean people's struggle for reunification, barring North-South contact, travel and exchange and suppressing patriotic democrats, we demand that this anti-national 'law' be immediately scrapped.

"We urge the Kim Yong-sam 'government' to immediately scrap the 'National Security Law' and grant to the South Korean people genuine democracy and the right to choose the way of reconciliation and peaceful reunification. We call on all democratic organisations advocating human rights to denounce this 'law.'"

Foreign Groups Support Koryo Reunification Plan

SK0511213094 Pyongyang KCNA in English 1515 GMT 5 Nov 94

[All names as received]

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—The closing ceremony of the month of support to the proposal for founding the Democratic Confederal Republic of Koryo [DCRK) was held in Moscow under the sponsorship of the Russian Association for Friendship and Cultural Cooperation With the Democratic People' Republic of Korea.

Vladimir Tolstikovwn, chairman of the central council of the association, told the ceremony that the DCRK founding proposal put forward by the great leader Comrade Kim Il-song at the Sixth Congress of the Workers' Party of Korea in October, 1980, has won the unanimous support of the people in the North and South of Korea and their overseas compatriots and the peaceloving people of the world.

The Korean people, under the tested leadership of the [word indistinct] leader Comrade Kim Chong-il, will surely reunify the country by the confederacy formula in accordance with "10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" worked out by Comrade Kim Il-song, he said.

Yuriy Vashin, a section chief of the Institute of Oriental Studies of the Academy of Sciences of Russia, said in his speech that the DCRK founding proposal put forward by the great leader Comrade Kim Il-song is the most fair and reasonable proposal for reunifying Korea by the confederacy form based on one nation, two states, two system and two governments.

Makar Bavikov, first vice-chairman of the central council of the Russian Association for Friendship and Cultural Cooperation With the DPRK, in his speech held that the South Korean authorities should accept the proposal for founding the DCRK unconditionally and set out on the road of its realization.

The Federal Direction of the left coalition of Spain, the Lebanese Committee for Supporting Korea's Reunification and Mustafa Jaber, chief of the Jordanian group for the study of the chuche philosophy, published statements in the month for support to the DCRK founding proposal.

WPK Friendship Delegation Leaves for China

SK0811053594 Pyongyang KCNA in English 0435 GMT 8 Nov 94

[FBIS Transcribed Text] Pyongyang, November 7 (KCNA)—A friendship delegation of the Workers' Party of Korea [WPK] headed by Yi Yong-su, vice-director of a department of the WPK Central Committee, left here today by train to visit China.

It was seen off at Pyongyang Railway Station by Pak Kyong-son, vice-director of a Department of the WPK Central Committee, and a councillor of the Chinese Embassy here.

Choe Meets With CPV Delegates Departing MAC

SK0511043794 Pyongyang KCNA in English 0427 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—Choe Kwang, chief of the General Staff of the Korean People's Army [KPA], on Friday [4 November] met and had a friendly conversation with Maj. Gen. Zheng Daogen and other members of the Chinese People's Volunteers [CPV] delegation, which is withdrawing from the now defunct Military Armistice Commission [MAC], when they paid a farewell call on him.

Lieut. Gen. Yi Chan-pok, chief of the mission of the Korean People's Army in Panmunjom, and Qiao Zonghuai, Chinese ambassador to Korea, were on hand.

Central People's Committee Greets Cambodian King

SK0811105694 Pyongyang KCNA in English 1053 GMT 8 Nov 94

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA)—The Central People's Committee of the Democratic People's Republic of Korea sent a message of greetings to King Norodom Sihanouk on Monday on the occasion of the 41st anniversary of the independence of the Kingdom of Cambodia.

Noting that over the past period the Cambodian people have made a long stride in the struggle to defend the independence and sovereignty of the country and achieving peace and stability, braving the difficulties and trials, the message said: "Today the Government and people of Cambodia, under the correct leadership of esteemed your majesty king, are making strenuous efforts to promote national reconciliation and rebuild the country in a short period."

"The Korean people sincerely rejoice over the achievements made by the Cambodian people in the building of a new society, and will as ever extend firm solidarity to their just cause," it stated.

The message wished the Cambodian king and people greater success in their efforts to build a new Cambodia, independent and sovereign, peaceful and permanently neutral and nonaligned.

"The traditional relations of friendship and cooperation between the two peoples based on the particular fraternal intimacy between the great leader President Kim Il-song and esteemed your majesty king will be everlasting," it concluded.

Lao Army Department Director Gives Impressions

SK0811044294 Pyongyang KCNA in English 0415 GMT 8 Nov 94

[FBIS Transcribed Text] Pyongyang, November 7 (KCNA)—director of the General Political Department of the Laotian People's Army, Siphon Phalikhan, told KCNA on November 1 that strong indeed is the might of the Korean People's Army [KPA] closely rallied around dear Comrade Kim Chong-il, with him as its supreme commander.

Giving his impressions of Korea, he said that he was deeply moved seeing historic sites associated with the leadership of the great leader of the Korean people Comrade Kim Il-song and the dear leader Comrade Kim Chong-il wherever he went. The Korean People's Army could grow to be invincible revolutionary Armed Forces thanks to such love and leadership, he said, adding:

"We were deeply moved by the high sense of spirit and discipline of the Korean people and its Army. Today the KPA has been strengthened to be invincible ranks capable of defeating any enemies, unshaken by any psychological warfare and pressure of enemy. Through our visit to a People's Army unit we could believe that there is not such a militant and strong army as the Korean People's Army in the world.

Under the wise leadership of the dear leader Comrade Kim Chong-il the Korean People's Army has grown to be ever-victorious revolutionary Armed Forces capable of defeating any enemies by fulfilling the slogan of a-match-for-a-hundred army to the letter advanced by the great leader Comrade Kim Il-song.

We are convinced that the Korean people and Army under the wise leadership of the dear leader Comrade Kim Chong-il will achieve greater success in their work for socialist construction and national reunification.

Ministry Denounces Japan's Bid for UN Seat

SK0811110694 Pyongyang KCNA in English 1059 GMT 8 Nov 94

["Japan Cannot Be Permanent Member of U.N. Security Council, Foreign Ministry Spokesman"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea answered a question put by KCNA today concerning Japan's lobbying for a permanent membership of the U.N. Security Council.

He told KCNA:

At the current session of the U.N. General Assembly, the Japanese Government was engaged in persistent lobbying typified by "money-backed diplomacy" and "imperial family diplomacy" with the aim of becoming a permanent member of the U.N. Security Council next year. Its attempt, however, has virtually miscarried, failing to win support from the DPRK and other Asian countries.

Far from drawing a lesson from this disgraceful failure, the Japanese Government reportedly plans to launch into another offensive to "drum up support" for a permanent seat of the Security Council at the Asia-Pacific Economic Cooperative Council meeting and unofficial summit to be held in Indonesia in a few days.

The Asian countries which suffered from aggression of Japan and feel the danger of the revival of Japanese militarism in every fibre of their being will never be taken in by any trick of Japan.

Money is not almighty nor is it a means of determining the political position of a country.

The Japanese authorities leave no stone unturned in their bid to obtain the position of a political power and a military power commensurate with an economic power. But, Japan unlike such countries as Germany is the only country that has not atoned for the crimes it committed in its war of aggression and military occupation before and during World War II.

At U.N.-sponsored human rights meetings today, Japan finds itself in the dock over the problem of compensation to the victims of grave wartime violations of human rights by Japanese imperialism including "comfort women for the Army" and draftees and the problem of punishment of war criminals. Voices are ringing out uninterruptedly, holding that Japan can never be a permanent member of the U.N. Security Council unless these problems are solved.

Japan must know that without liquidating the past properly, it is not entitled to be a permanent member. Sincere repentance of the past crimes and atonement for them will be the first step to win confidence from the Korean and other Asian peoples as well as the world people.

Delegation of Chongnyon Businessmen Arrives

SK0511043994 Pyongyang KCNA in English 0429 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—A Yamaguchi prefectural businessmen delegation of the General Association of Korean Residents in Japan (Chongnyon) led by Yo Song- kun, vice-chairman of the Federation of Korean Traders and Industrialists in Japan and chairman of the Yamaguchi Prefectural Association of Korean Traders and Industrialists, arrived here by plane on Friday [4 November].

Fidel Castro Receives WPK Delegation

SK0511105894 Pyongyang KCNA in English 1023 GMT 5 Nov 94

[FBIS Transcribed Text] Havana, November 3 [date as received] (KCNA)—Comrade Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba [CPC], president of the Council of State and president of the Council of Ministers of the Republic of Cuba, on November 2 received a delegation of the Workers' Party of Korea [WPK] led by Hwang Chang-yop, secretary of its Central Committee.

On the occasion the head of the delegation conveyed the greetings of the dear leader Comrade Kim Chong-il to Comrade Fidel Castro.

Comrade Fidel Castro expressed deep thanks for this and asked the head of the delegation to convey his best wishes for longevity to the dear leader Comrade Kim Chong-il.

"The death of respected President Kim Il-song, the great leader of the Korean people and the most intimate friend of the Cuban people, is an irretrievable great loss for the Korean and Cuban peoples as well as the international revolutionary movement," Comrade Fidel Castro, said, and went on: "I believe that the Korean people will overcome sorrow and grief and continue to advance in the future, united closer around dear Comrade Kim Chong-il, the outstanding leader, under his wise leadership.

"We know well the achievements and experiences gained by which the Korean people in the struggle against the colonial rule of the Japanese imperialists and against the U.S. imperialists who unleashed war of aggression and [word indistinct] the war, in the building of such a splendid country as today on the ruins of the war under the wise leadership of respected Comrade Kim Il-song, and are learning from them." "I highly estimate the Korean people who, under the leadership of dear Comrade Kim Chong-il, are creditably defending the banner of socialism even under the difficult circumstances where the U.S. imperialist moves of aggression and blockade continue."

He congratulated the party and the people of Korea on their great victory in the recent DPRK-USA talks concerning the nuclear issue (?under the wise) guidance of the dear leader Comrade Kim Chong-il will invariably and continuously deepen the excellent relations of friendship and cooperation between Cuba and Korea in the future, too," he declared.

On hand were Carlos Lage, Politburo member of the CPC Central Committee, officials concerned and the Korean ambassador to Cuba.

WPK, Cuban Communist Party Secretaries Meet

SK0511223894 Pyongyang KCNA in English 1524 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—Talks were held in Havana on November 1 between the delegation of the Workers' Party of Korea [WPK] led by secretary of its Central Committee Hwang Chang-yop and the delegation of the Communist Party of Cuba led by Politburo member of its Central Committee Jose Ramon Machado Ventura [spelling of name as received].

The sides informed each other of the situation of their countries and discussed matters of common concern.

At the talks Jose Ramon Machado Ventura said the Cuban party and people expressed deep condolences over the death of Comrade Kim Il- song, the great leader of the Workers' Party and the people of Korea. "We are very glad and satisfied to see dear Comrade Kim Chong-il, the great leader of the Workers' Party of Korea and supreme commander of the Korean People's Army, wisely leading the WPK and the people to victory," he said.

He noted that the tested leadership of the tear leader Comrade Kim Chong-il firmly guarantees today's happiness and the brilliant future of the Korean people and Korea's reunification and promises a greater victory. "We are firmly convinced," he said, "that the Workers' Party and people of Korea, under his wise leadership, will continue to win new victories in the future, too."

The talks proceeded in a friendly atmosphere.

Ambassadorial Relations Established With Georgia

SK0511224194 Pyongyang KCNA in English 1528 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—Protocol on the establishment of diplomatic relations at ambassadorial level between the Democratic People's Republic of Korea and the Republic of Georgia was signed in Moscow on November 3.

The protocol was inked by DPRK Ambassador to Russia Son Song-pil on behalf of the DPRK Government and Georgian Ambassador to Russia Valerian Advadze on behalf of the government of the Republic of Georgia.

The protocol says:

Confirming their trust in the goal and principles of the United Nations charter and expressing the hope to develop bilateral cooperation on the principle of equality and non-interference in each other's internal affairs out of the desire to strengthen cooperation, mutual understanding and confidence between the two countries, the governments of the Democratic People's Republic of Korea and the Republic of Georgia have agreed to establish diplomatic relations at ambassadorial level between the two countries and exchange diplomatic missions in accordance with the Vienna Accord on the Establishment of Diplomatic Relations dated April 18, 1961.u

The protocol shall take effect from the moment it is signed.

Yang Sends Greetings to Jordanian House Speaker

SK0511042994 Pyongyang KCNA in English 0423 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly of the Democratic People's Republic of Korea, sent a message of greetings to Sa'd Hayil al-Surur on his election as speaker of the House of Deputies of the Hashemite Kingdom of Jordan.

The message expressed the belief that the excellent relations of friendship between the two parliaments will continue to develop on good terms and wished him greater success in his responsible work.

Envoy Visits Danish Communist Party Leader

SK0511032094 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 2 Nov 94

[FBIS Translated Text] On 26 October Kim Chae-pong, our country's ambassador to Denmark, paid a farewell visit to (Klaus Keith), chairman of the Central Committee of the Danish Communist Party Marxism-Leninism. During the meeting, the ambassador conveyed the dear leader Comrade Kim Chong-il's greetings to Chairman Klaus Keith. The chairman expressed his deep gratitude and asked the ambassador to convey his sincere greetings to the dear leader Comrade Kim Chong-il.

The chairman stated: The signing of the agreed framework through the DPRK-U.S. negotiations is a victory for the DPRK and a great achievement in the struggle to safeguard peace and security on the Korean peninsula. We ardently welcome the DPRK-U.S. agreed framework and give our full support to the struggle of the Workers' Party of Korea and the people of the DPRK to implement the agreement. We will continue to actively exert efforts to develop friendship and cooperation with the Workers' Party of Korea.

Letters to Kim Chong-il Adopted Abroad

SK0611084194 Pyongyang KCNA in English 0810 GMT 6 Nov 94

[FBIS Transcribed Text] Pyongyang, November 6 (KCNA)—Letters to the dear leader Comrade Kim Chong-il were adopted at memorial services for the great leader President Kim Il-song which were held in Georgetown of Guyana, by the Central Committee of the Bangladesh People's League and in Cairo under the cosponsorship of the Arab Art, Culture and Information Association of Egypt and the Egypt- Korea Friendship Association, on the hundredth day after his death.

Noting that the whole life of respected President Kim Il-song was a brilliant life of the most prominent thinker and theoretician, outstanding statesman and great father of the people, who devoted his all to the people's happiness, the prosperity of the country and to the victory of the cause of global independence, the letters said his great feats for the times and history would be immortal.

They expressed the belief that the Korean people, under the wise leadership of Comrade Kim Chong-il, the supreme leader of the party, the state and the Army, would accomplish the revolutionary cause of chuche pioneered by President Kim Il-song.

They wholeheartedly wished Comrade Kim Chong-il a long life in good health.

Meanwhile, letters to Comrade Kim Chong-il were adopted at the hundredth-day memorial services for President Kim Il-song which were held in Islamabad under the sponsorship of the Pakistan-Korea Friendship Association and in Damascus by friendly Arab liberation movement forces and political parties.

Meeting Names Cuban School After Kim Il-song

SK0511111094 Pyongyang KCNA in English 1029 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—A meeting was held at the Guira de Melena agricultural school in Havana Province, Cuba, on November 2 to name it after Kim Il-song.

The meeting was attended by Jesus Montane Oropesa, member of the Central Committee of the Communist Party of Cuba and chairman of the Cuban Committee for Supporting Korea's Reunification, and officials of central and provincial party and government organs and teachers and students.

The delegation of the Workers' Party of Korea led by Hwang Chang- yop, secretary of its Central Committee, on a visit to Cuba and the Korean ambassador to Cuba and his embassy officials were present on invitation.

In his speech at the meeting, the vice minister of general education of Cuba said to name the school after the great leader Comrade Kim Il-song was an expression of the deepest respect of the Cuban people, teachers and students for him, a close friend.

(?The school) will convey [words indistinct] of the great leader Comrade Kim Il-song together with his august name through generations and will actively contribute to the development of the friendly relations [words indistinct].

Overseas Koreans Honor Memory of Kim Il-song

SK0611082494 Pyongyang KCNA in English 0806 GMT 6 Nov 94

[FBIS Transcribed Text] Pyongyang, November 6 (KCNA)—The members of the Yamaguchi prefectural businessmen delegation of the General Association of Korean Residents in Japan (Chongnyon) led by Yo Song-kun, vice-chairman of the Federation of Korean Traders and Industrialists in Japan and chairman of the Yamaguchi Prefectural Association of Korean Traders and Industrialists, visiting the socialist homeland, laid a wreath before the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang and paid a silent tribute to his memory on Friday.

Yo Song-kun said his delegation could feel everywhere the national pride and revolutionary honor in being overseas citizens of chuche Korea as they upheld respected Generalissimo Kim Il-song as the great leader and the father of the nation.

"His whole life was a great history of devotion to the freedom and happiness of the people," he stressed.

He renewed the resolution to vigorously struggle for the accomplishment of the revolutionary cause of chuche, upholding dear General Kim Chong-il with loyalty and filial piety.

Overseas Groups Hold Services for Kim Il-song

SK0511042794 Pyongyang KCNA in English 0422 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—Memorial services were held at the Group for the Study of the Chuche Idea in Adis Ababa, Ethiopia, and the Lausanne Cultural and Information Centre on the DPRK in Switzerland, and in Islamabad, Pakistan, on the hundredth day after the death of the great leader President Kim Il-song.

On display in the service halls were pictures on the achievements of President Kim Il-song.

Malik Hadim [spelling of name as received], senator of Pakistan, said in his memorial address:

"His excellency the great leader President Kim Il-song was the greatest of the great men.

"He devoted his all to the national independence, liberation, freedom and happiness of the Korean people and the oppressed peoples of the world.

"His immortal exploits for the times and humankind will be handed down through generations."

Memorial services also took place in Sofia, Accra, Budapest and Maputo and at the Togolese People's Rally and the Burkina National Group of the Chuche Idea.

Anniversary of Kim Il-song's Death Commemorated

SK0811115694 Pyongyang Korean Central Broadcasting Network in Korean 0434 GMT 8 Nov 94

[Unattributed talk: "The Sun of Chuche Lives Forever in the Hearts of Our People"]

[FBIS Translated Text] Four months have passed since the day of the unexpected heart-aching loss from the passing away of the great leader Comrade Kim Il-song. The loss of the great leader, who was always with the people for over 80 years and led our people to victory and glory, and the single road of endless happiness, is the first ever greatest sorrow in the 5,000-year history of our nation and the greatest loss for which nothing can compensate.

Our people, who have walked along the single road of loyalty engraving deep in their hearts the nation's fortune of having the great Comrade Kim Il-song as the leader, wailed in a sorrow that no words can describe. Everyone became a mourner and visited the great leader's statues highly erected at Mansudae in the capital and every historical place across the country, in rain or dark of night, to express their deepest condolences.

The past four months were days when the traces of sorrow, never to be erased, were deeply engraved in the hearts of every one of our people, and the days our people cherished more deeply in their hearts the preciousness of their fortune of fortunes—being blessed with the leader—and the value of the leader. Our people are missing the leader more and more as the days pass, and engraving more deeply in their hearts the leader's lofty and benevolent appearance of the sun.

Our people miss the respected and beloved leader more as the days and months pass by, and they always bear the leader's benevolent image in their hearts. This is because our leader did not rest for a single day during his lifetime for the people, and made immortal achievements for the nation, the revolution, the times, and mankind. The respected and beloved Comrade Kim Il-song lives forever in the hearts of the people because he made immortal achievements for the people and with the people.

In the recently published immortal and classical treatise "Socialism Is a Science," the dear leader Comrade Kim Chong-il pointed out: The respected and beloved Comrade Kim Il-song was our people's benevolent father, who embodied the love toward the people on the highest level. Comrade Kim Il-song had the motto of regarding the people as heaven. He was always with the people, sharing life and death, joy and sorrow during his entire life, and devoted his everything for the people.

As the dear leader Comrade Kim Chong-il pointed out, the respected and beloved leader had the lofty motto of regarding the people as heaven, was always with the people, and devoted his everything for the people. In the long history of the communist movement, there were numerous patriots and great men who trusted the people and devoted themselves to the people. However, there was no leader like our leader who regarded the people as heaven and led the revolution while enduring all kinds of difficulties and hardship for the people during his entire life.

The entire life of our leader was the life of the greatest leader of the people because he embodied the spirit of devoted service for the people on the highest level, and devoted his everything for the freedom and happiness of the people. Since the first day he stepped on the road of revolution, the respected and beloved leader had regarded the popular masses as the creators of history and the most precious beings in the world, and thoroughly subjected all the problems arising in revolution and construction to the works for the people.

His thoughts and worries were only for the people; his efforts and labors were always for the happiness of the people. In the hands of energetic leadership of the respected and beloved leader, our fatherland has developed into a paradise of the people, and our people were able to fulfill century-old desires. The chuche idea, the immortal guiding ideology of our times, was founded by the respected and beloved leader for the popular masses, and the popular masses-centered socialism of our style was also established by the leader for the endless happiness of our people.

That our party has become the mother party, and our people's government the head of the family in charge of people's living, is a precious fruition of the wise leadership and benevolent politics of the respected and beloved leader, who embodied his view on, and love toward, the people on the highest level. Without the respected and beloved leader, who regarded the people as heaven and cared so much about the people during his lifetime, we could not have imagined all the precious wealth and revolutionary gains possessed by our people, from the single-hearted unity, which is the true appearance of the chuche-based DPRK, to the modern edifices, plants, and enterprises.

The respected and beloved leader's love toward, and care about, the people, and his achievements for the people, lies ardently in every one and every family of our people, and covers all the aspects and fields of revolution and construction. Our people are endlessly looking up at the image of the respected and beloved leader, who is with them forever, through the happy lives they are leading and the precious gains that are shedding light on this land. They are filled with the firm resolve to hand down the unlimited grace for thousands and tens of thousands of years.

The respected and beloved leader Comrade Kim Il-song was always deeply involved with the people, shared joy and sorrow with them, and led the revolution and construction to the single road of glorious victory by the strength of the people. Our leader was always with the people during every step and every period of revolution and construction: during the days of building a new society after the liberation, of the fatherland liberation war, and of postwar restoration and socialist construction, not to mention the early days of revolution, when risk existed in every single step, and of anti-Japanese armed struggles. Every line and policy he made was in conformity with the aspiration and demands of the people. Whenever there were difficulties and trials on the way, he overcame them with our people's strength, in which he had faith.

All the gains, and precious victories and achievements that are shining as the eternal wealth of our revolution were created and achieved by the respected and beloved leader, while he shared difficulties, trials, joy, and sorrow with our people. The fatherly leader not only gave our people the endless happiness and glory of yesterday and today, but also handed down the legacy of tens of thousands of years by founding the great chuche idea, and building the chuche-type revolutionary party, the independent and dignified country, and the invincible revolutionary forces under the chuche banner, thus, provided us with the mighty weapon and solid basis for our revolution to win forever, and for our nation to endlessly prosper and develop generation after generation.

Indeed, the entire life of the respected and beloved Comrade Kim Il-song shows that he was a peerless great man, an unequaled hero, a great leader, and the sun of chuche forever because he took it as his life-time motto to regard the people as heaven, endured all the storms and hardship along the turbulent road of revolution, dedicated tenacious energy, and sleepless and restless efforts for the freedom and happiness of the people, the dignity of the nation, the prosperity of the fatherland, the reunification of the country, and for the independent cause of mankind, till the last moment of his life, thus built up the most brilliant tower of feats in the history of the 20th century.

Because our people had such a great and extraordinary hero of the century as their leader and enjoyed all the happiness in his bosom, they cannot forget the fatherly leader's immortal achievements and unlimited grace for a single moment, but bear an ardent heart to look up at and follow the respected and beloved Comrade Kim Il-song as an eternal leader. The slogan "The great leader Comrade Kim Il-song is with us forever" is a firm faith deep in the hearts of our people. Although the respected and beloved leader Comrade Kim Il-song passed away, the leader's great revolutionary ideology and immortal revolutionary achievement will shine for a long time in history, generation after generation, and the fatherly leader will always be with our people and live forever in the hearts of all of us in the image of the sun for thousands and tens of thousands of years.

The great leader Comrade Kim Il-song is the dear leader Comrade Kim Chong-il; the comrade dear leader is the great leader [suryong]. Our party and our people will uphold the dear General Kim Chong-il in the highest position of the party and revolution. Under his leadership and with the great leader's revolutionary ideology as the only guiding ideology, they will resolutely defend and safeguard the chuche-based revolutionary tradition and immortal revolutionary achievement established by the leader [suryong], and consummate to the end the chuche revolutionary cause pioneered by the leader.

Daily Marks 4-Month Anniversary

SK0811102294 Pyongyang KCNA in English 1011 GMT 8 Nov 94

["The Great Leader Comrade Kim Il-song and Our People Are Harmonious Whole, NODONG SINMUN"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA)—It is four months since the sad news of the death of the great leader Comrade Kim Il-song came like a bolt from the blue.

The dear leader Comrade Kim Chong-il said:

"Upholding the great leader Comrade Kim Il-song for ever is the noble duty of Korean communists and is based on their invariable revolutionary conviction."

The Korean people feel more irrepressible yearning and reverence for the respected leader Comrade Kim Il-song as days and months pass by. This is an expression of the noblest ideological sentiments which can be seen only in people who firmly trust and follow their leader as the defender of their destiny, the great father, and form a completely harmonious whole with him in ideology and purpose, in morality and ethics.

NODONG SINMUN says this in an editorial today.

The trust and reverence of the people for the respected leader will never change but get deeper, even though the world changes a thousand times and thousands of years pass by, the editorial says and continues:

The Korean people are proud of their being the most revolutionary people in the world who remain loyal and filial to the leader and a great people with lofty communist view of morality by invariably upholding the respected leader Comrade Kim Il-song as the eternal sun of chuche and tender-hearted father.

Now the world sees a great people and keenly feels how great the Korean people's strength is. This strength is more powerful than an atomic bomb. Any formidable physical strength cannot work on such people who are advancing, linked with the leader by blood ties.

The Korean people have now become a faithful and great people who will uphold the respected leader Comrade Kim Il-song forever because they are guided by the dear leader Comrade Kim Chong-il. The dear leader guides the people to uphold the fatherly leader more faithfully and be true to his behests.

To carry through the behests of the great leader Comrade Kim Il- song is a noble duty of all the party members and working people. We should regard the [words indistinct] leader as the motto in our work and life and live and struggle according to them.

The most precious behests of the leader are his earnest teachings that the entire officials and people and People's Army officers and men should accomplish our revolutionary cause, upholding the dear leader Comrade Kim Chong-il with a loyal heart.

To have a lofty communist view of morality is an important guarantee for increasing the might of the integral whole of the leader and people.

We are displaying our honor of being a people with lofty communist view of morality by paying tribute to the great leader with deepest reverence and devoting all our energy and wisdom to fulfilling his behests, always remembering him.

The Korean communists and people who made a solemnest oath before the bier of the leader will keep their pledge forever as in the past, and proudly create the most beautiful and noble ideological and [word indistinct] world of the communists in holding their leader in high esteem.

Our people who are struggling under the guidance of dear Comrade Kim Chong-il, our great teacher and outstanding leader of revolution, will further tighten the blood ties with the leader and, on this road, achieve the reunification of the country and win the final victory of the revolutionary cause of chuche and shout more loudly "Long live the great leader Comrade Kim Il-song!"

Kim Chong-il's Treatise on Socialism Lauded

SK0611143794 Pyongyang Korean Central Broadcasting Network in Korean 2316 GMT 4 Nov 94

[FBIS Translated Text] The treatise "Socialism Is Science" published by Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, has aroused thunderous reaction from all the people in the northern half of the Republic.

Comrade Hong Song-nam, vice premier of the DPRK Administration Council, says:

[Begin Hong recording] Amid great excitement and deep emotion, I received the treatise "Socialism Is Science" published by Comrade Kim Chong-il, the great leader of our party and people.

In the work, the dear comrade leader scientifically expounded that socialism is a revolutionary banner and theory for the popular masses who are struggling for independence. He again uniquely elucidated the chuche-oriented view and stance toward men, who constitute the driving force of socialism of our own style, and toward the popular masses.

The work expounded most perfectly the scientific nature, truth, and invincibility of socialism, as well as inevitability of its victory. As I keenly study each word and each phrase of the work, I cannot repress the sense of admiration of the dear comrade leader, the thoroughgoing defender of socialism and a great ideological and theoretical master in our times.

Regarding the situation that took place in some countries which were building socialism, the imperialists and reactionaries are raving about the end of socialism and the renegades of socialism claimed that theory on socialism itself is erroneous, thus attempting to justify their traitorous act. The dear comrade leader published the immortal work at this very time. This work will serve as an encouraging banner which further consolidates faith in the victory of socialism and the will of our people and of the revolutionary people of the world aspiring for socialism. On the other hand, the work will deal a hard blow to the imperialists and renegades of socialism.

In the first chapter of the work, the dear comrade leader emphasized that the historic task to raise socialism onto a new scientific basis has been brilliantly resolved by the chuche idea created by the great leader Comrade Kim Il-song and by theory on socialism uniquely unfolded by him.

In the work, the dear comrade leader clearly expounded again that socialism of our own style, which has embodied the chuche idea scientifically systematized by the great leader [suryongnim], is the most scientific socialism with vitality. Thanks to this, our people are able to glorify socialism of our own style with the revolutionary banner for victory in socialism and with firm faith and (?optimism).

The popular mass-centered socialism of our own style, which is being further glorified by Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, is the most scientific and most powerful socialism.

We will brilliantly carry to accomplishment the fatherly leader's lifetime will by loyally upholding the leadership of General Kim Chong-il, the respected supreme commander. Thus, we will achieve the chuche revolutionary cause. [end recording]

'Widespread Repercussions' Noted

SK0611084294 Pyongyang KCNA in English 0824 GMT 6 Nov 94

["'Great Militant Banner Showing Path of Socialist Cause'"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 6 (KCNA)—The dear leader Comrade Kim Chong-il's famous work "Socialism Is Science" has evoked widespread repercussions upon the Korean working people of different strata.

Pak Kwan-o, president of Kim Il-song University, said the work of the dear leader is the immortal theory of socialism which, on the basis of the chuche idea, has brought the ideology of socialism to perfection as a science and lifted it to the highest stage, and is a great militant banner showing the path of the socialist cause, the human cause of independence in our era.

Chang Sin-yong, secretary of the South Hamgyong provincial committee of the Workers' Party of Korea, said:

In the work the dear leader gives comprehensive and logical answers as regards the reasons why socialism is a science and the achievements and experiences which have been attained in the course of the advance under the banner of socialism. This gives a great encouragement to our people striving for the accomplishment of the cause of chuche and to the revolutionary people of the world heading for global independence.

Kim Chang-kyu, vice-minister of foreign affairs, noted that Comrade Kim Chong-il in his treatise cited the realities of Korean- style socialism centred on the masses to scientifically prove the originality and advantages of the chuche-based theory on socialism advanced by the great leader Comrade Kim Il-song.

The treatise is a telling blow to the imperialists and reactionaries who are vociferating about "end of socialism" and an inspiring banner and a textbook of struggle to the revolutionaries and the progressive people of the world who aspire after socialism and communism, he said.

So Pong-chang, vice-president of the University of National Economics, said that each sentence and each phrase of the treatise show the rare wisdom of the dear leader Comrade Kim Chong-il who is energetically searching for the new truth to meet the demand of the times and performing undying feats in the development of the revolutionary theory of the working class through his ideological and theoretical activities, always proceeding from the practice of the revolution.

Kim Sok-hyong, president of the Academy of Social Sciences, pledged to make an active contribution to the successful accomplishment of the cause of Korean-style socialism by effecting a great revolutionary turn in deeply studying and propagandizing the chuche-based theory on socialism propounded by the dear leader, cherishing deep in mind high honor and pride of building socialism under the guidance of him who is the most prominent thinker and theoretician and a tested leader of the socialist cause in the present era.

Newspaper Stresses Virtues of Kim Chong-il

SK0611092294 Pyongyang KCNA in English 0853 GMT 6 Nov 94

["Comrade Kim Chong-il Is Great Thinker and Theoretician"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 6 (KCNA)—NODONG SINMUN today carries a lengthy signed article stressing that the dear leader Comrade Kim Chong-il is the greatest of the great men who has prominent quality as a distinguished thinker and theoretician without an equal in history.

The article reads in part:

Dear Comrade Kim Chong-il is the great leader who has enjoyed undisputed trust as a distinguished thinker and theoretician among the revolutionary people from long ago.

The great leader Comrade Kim Il-song said:

"Comrade Kim Chong-il is a genuine people's leader possessed of both literary and military accomplishments and loyalty and filial piety. He is an outstanding thinker and theoretician, statesman, military strategist and a paragon of loyal person and filial son who is unfailingly faithful to the country and the people and shows great filial devotion."

In the course of leading our party and revolution in the van for tens of years, the dear leader put forward many ideas and theories which serve as the guideline of the revolution and construction in our era and has made undying feats in enriching the treasure-house in the history of human thoughts.

The greatness of the ideas and theories put forward by him lies, first of all, in that they are run through with intense loyalty to the leader who pioneered the revolution and founded the guiding idea of the era, and his cause and its continuity.

Comrade Kim Chong-il who has regarded loyalty to the great leader Comrade Kim Il-song as the maxim of all the struggle and activities formulated the revolutionary idea of the great leader, clearly defined its position and has strictly subordinated all his ideological and theoretical activities to defending, developing and enriching the great chuche idea.

The greatness of the ideas and theories of the dear leader lies, next, in that they are original ideas and theories which clearly represent the demands of the times and are run through with new discoveries and innovations.

How correctly the ideas and theories of the dear leader reflect the demand of the times has been eloquently proved by the recently published works including "Abuses of Socialism Are Intolerable" and "Socialism Is Science".

The theory of the singlehearted unity of the leader, the party and the masses, the theory of the revolutionary outlook on the leader, the theory of politics of love and trust, benevolent politics, the theory of the inheritance and development of the revolutionary traditions and all other ideas and theories of the dear leader are all new and unique.

The greatness of his ideas and theories also lies in that they are encyclopedic ideas and theories most profound and rich in content.

Immeasurable is the vastness of the ideas and theories put forward by Comrade Kim Chong-il while leading the Korean people at their head, taking upon himself the work of all domains of the revolution and construction as the leader of the party and the revolution from 30 years ago. They cover everything—the work of the party, the people's power and the working people's organisations, defence building, philosophy, political economy, history, linguistics, industry, agriculture, education, public health, construction, transport, commerce and sports.

His ideas and theories are immensely rich and profound in content. They were all studied and evolved on the new height of the era of chuche and they comprehensively reflect the developing reality, the demands of the popular masses and lessons and experiences accumulated in the long historical course of our revolution and communist movement.

The greatness of his ideas and theories is fully demonstrated by their orderly system evolved in perfect logic.

The distinguished greatness of Comrade Kim Chong-il who brightly lights the road of the times and the revolution with his great ideas and theories has its source in matchless ideological and theoretical intelligence and quality.

By publishing a great number of famous works before he reached the age of twenty, the dear leader won the fame as a masterly thinker and philosopher among the people and possessed flawless capacity as the most distinguished man of letters.

He is possessed of deep philosophical knowledge which is unrivaled.

It was thanks to the dear leader that important philosophical problems which had not been raised or expounded in the previous days such as the essential characteristics of man, the law of the social movement and the position and role of man in the world were given perfect answers to bring about a turn in the development of the history of philosophy.

Comrade Kim Chong-il has extraordinary capacity of penetration, analysis and pursuit.

Apart from this distinguished greatness of the dear leader, we cannot think of us advancing with the idea of independence, self- sustenance and self-reliance in defence as our consistent guiding principle of the revolution and construction nor can we think of us making a vigorous advance with scientific ideas and theories, not undergoing the slightest turns and twists in the worldwide turmoil today.

Comrade Kim Chong-il is possessed of matchlessly extensive vision and deep and rich knowledge. Herein lies another distinguished greatness of the dear leader as an outstanding thinker and theoretician in our era and a prominent genius with versatile talents.

Kim Chong-il Thanks South Pyongan Province

SK0711080894 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 3 Nov 94

[FBIS Translated Text] The dear leader Comrade Kim Chong-il sent thanks to the functionaries, working people, technicians, and office workers of various units in South Pyongan Province. The great leader of our party and our people dear Comrade Kim Chong-il sent thanks to the functionaries, working people, technicians, and office workers for their contribution to the construction of the Taedong historical revolutionary site, the Unsan-Suwon mine, the industrial facilities for the production of rice corn flour of the Food Administration Station of Pyongsong, the facilities for the production of rice seedling transplanters, and various dwellings.

The functionaries of the Songchon County party committee and the working people in the county rehabilitated to its original form the Taebong historical revolutionary site in which the immortal historic relics of Mr. Kim Hyong-chik dwell, built the historic relics excellently, and built 20 cozy dwellings around the site.

The functionaries of the Unsan County party committee organized and mobilized the working class and technicians in the county and supplied by themselves 280 mining facilities, including the transformers and compressors, and built a nonferrous metal mineral ore production base within a short period of time, so that they might contribute greatly to the implementation of our party's trade-first policy.

The workers, technicians, and office workers of the Pyongsong Food Administration Station installed many machine facilities of their own making, helping and encouraging each other. By realizing some 130 technological innovation plans, they industrialized the production of rice corn flour.

Upholding the letter of the great leader to the national agricultural meeting he sent last February, the South Pyongan provincial party committee produced 1,100 quality rice seedling transplanters within a few months, thus contributing significantly to farming this year.

The party members and working people of Pyongsong Farm Machine Plant, highly displaying the revolutionary spirit of self-reliance and fortitude, newly built a rectangular steel and drawn-pipe production base, a rolling base, and a welding-rod production base. Producing numerous kinds of materials, they successfully ensured the production of the main frames of the rice seedling transplanters and their assembling work.

The functionaries and workers of Sungni motor vehicle general plant, 25 September forklift plant, and Changnim prospecting machine plant, contrived and introduced a new heat-treating technology and a new standardized rolled-steel production method, thus producing and supplying the cooperative products of the rice seedling transplanters in a timely manner.

The functionaries and working people of the related organizations actively explored and mobilized the inner reserves and produced on their own the rolled steel, bearings, and welding rods so that the rice-seedling transplanters can be produced ahead of schedule.

The functionaries of the province-level organizations of South Pyongan Province and the county-level organizations of Pyongwon County excellently built the Yongi cooperative farm in Pyongwon County, which the great leader and the dear comrade leader visited several times, into a cultured socialist rural area more comfortable to live in. Highly displaying the spirit of self-reliance and fortitude, they newly built within a short period of time the Comrade Kim Il-song's Revolutionary Ideology Study Room, some 180 two-story dwellings, a cultural center, a senior middle school, a kindergarten, a day nursery, a hospital, a store, and welfare service facilities, thus drastically refreshing the features of the farm.

The functionaries, party members, and working people of the Tokchon District Coal Mining Complex actively utilized the local materials and built 900 dwellings in the coal mines, including Wolbong and Toksong coal mines, within several months, thus further improving the living conditions of the coal miners. The functionaries and working people of Tokchon built some 100 dwellings on Chenam cooperative farm, in which the immortal leadership achievements of the great leader and the dear comrade leader dwell, within a mere three-month period, thus refreshing the features of the rural area.

The functionaries, workers, technicians, and office workers of Sukchon County built some 50 dwellings, a day nursery, and a kindergarten in the Unjong first work-team section of the Sukchon youth orchard farm. The functionaries, workers, technicians, and office workers of Taedong County built many dwellings in the seventh work-team section of Tokhwa Cooperative Farm.

The meetings to deliver the thanks of the dear leader Comrade Kim Chong-il were held at the relevant units. The meetings were attended by Comrade So Yun-sok, member of the Political Bureau of the WPK Central Committee, responsible secretary of the South Pyongan Provincial party committee, and chairman of the South Pyongan provincial people's committee; functionaries of the relevant sectors; the workers; technicians; and office workers of the relevant units.

At the meetings, the thanks sent by the dear leader Comrade Kim Chong-il was delivered amid enthusiastic applause of the participants. This was followed by a debate expressing resolutions. The letters of pledge and the letters of resolutions to the dear leader of our party and people Comrade Kim Chong-il were adopted at the meetings.

Building of Chuche-Oriented Regime Stressed

SK0811095994 Pyongyang MINJU CHOSON in Korean 7 Sep 94 p 2

[Article by Kim Yong-sok: "Immortal Achievements Which He Accomplished in Realizing the Cause of Building a Chuche-Oriented Regime"]

[FBIS Translated Text] Under the wise leadership of the party and the leader, today, our people's regime has been strengthened into a chuche-oriented revolutionary regime, smashing [chitbusigo] the antisocialist maneuvers of the imperialists, and endlessly consolidating and developing socialism of our own style. Thus, it is advancing the victory of the socialist cause. Without the slightest wavering in whatever storm and trials, our people's regime is fulfilling its lofty mission as a weapon of the revolution and construction, victoriously advancing our people's revolutionary cause to victory. This is a lofty fruition of the dear comrade leader's extraordinary and refined leadership who brilliantly succeeded and completed the great leader's cause of building a chuche-oriented regime.

The dear leader Comrade Kim Chong-il developed and enriched the great leader's ideology of building a chuche-oriented regime in accordance with the era and the demand of the developing revolution. He also wisely lead the work to strengthen and develop our people's regime into an independent socialist regime. Thus, he achieved a great immortal feat in the glorious historic struggle to realize the cause of building a chuche-oriented regime.

The dear leader Comrade Kim Chong-il has pointed out: "The political, economic, and military basis of the people's regime were consolidated like bedrock, its function and role were enhanced, the three revolutions of ideology, technology, and culture were actively promoted. Thus, an independent and creative life of the working popular masses was all the more smoothly guaranteed in all sectors of the state's social life."

The regime's strengthening and development is achieved through the leadership of the extraordinary leader. The extraordinary leader of the working class pioneers the revolutionary cause and is the supreme brain of the revolution leading it to victory. Also, the regime is a mighty weapon to victoriously advance the revolutionary cause. The leader builds the party and the people's regime, and with the people's regime, which receives the party's leadership as a weapon, it successfully advances and completes the revolutionary cause. The people's regime is established according to the leader, regards the revolutionary ideology founded by the leader as a guiding ideology, and carries out the revolution. Also, it can strengthen and develop into a regime serving the popular masses only under the extraordinary leader's leadership advancing the revolutionary cause to victory.

According to the wise leadership of the great leader and the dear comrade leader, our people's regime was strengthened into a revolutionary regime that vigorously advanced our revolution, which experienced many trials and twists and turns. It was also strengthened and developed into a mighty political weapon that defends and advocates socialism of our own style and advances the victory of the socialist cause.

As early as the anti-Japanese revolutionary struggle period, based on scientifically analyzing the duty of our revolution and the social class relationship of our country, the great leader put forth a line to build a chuche-oriented regime in establishing the people's regime based on the worker-peasant alliance led by the working class, and in accordance with the reunification line of the broad popular masses. He also established a people's revolutionary regime in the guerrilla zone. By doing so, he provided a historic root in the building of a chuche-oriented regime, and based on this, he found the Democratic People's Republic after liberation and strengthened and developed it, thus providing a firm basis in building a chuche-oriented regime. The great leader built a new and unique regime of our own style never before seen in history. Thus, he provided an asset for all the ages in building a socialist regime. According to the dear comrade leader's refined leadership, which is brilliantly completing the great leader's cause to build the regime, our people's regime was endlessly strengthened and developed into a chuche-oriented regime, and a great, immortal achievement was realized in our people's historic struggle to accomplish the cause of building the regime.

The dear leader Comrade Kim Chong-il's great accomplishment, in which he accumulated great achievements in the cause of building a chuche-oriented regime, was most of all intensifying and developing a unique regime-building ideology.

The working class' revolutionary regime has been built on the basis of the regime-building ideology set forth by the excellent leader and has been intensified and developed along with the development of such an ideology.

On the basis of his scientific analysis on the demand of the times and revolution, the leader established a guiding ideology of the revolution and put forth the ideology of building a scientific and revolutionary regime on the basis of such a guiding idea. Only when the revolution is carried out in conformity with such a guiding idea, can the people's regime truly become a revolutionary regime and can it be consolidated and developed into a powerful regime that triumphantly pushes ahead the popular masses' cause for independence.

The regime's character and mission, and the principle and method of its activities can be regulated, and its solidity and vitality can be guaranteed by the regime-building ideology set forth by the leader. In accordance with what kind of a guiding idea the regime has as its guiding idea, the regime's essence and form can be changed, and the principle and methods of the regime's activities can be differentiated. In order for the socialist regime to adhere to its popular, working-classic character and carry out the politics that meet the nature of the socialist regime, it should carry out the regime activities on the basis of the most scientific ideology of building the regime. Only thus, can the popular masses' independent rights and interests be defended and guaranteed, and the regime be consolidated and developed into a political organization and a chuche-type regime that organizes and mobilizes the popular masses into the work to implement the socialist cause.

The consolidation and development of the socialist regime can be realized in accordance with the intensification and development of the regime-building ideology elucidated by the leader. Only when the regime-building ideology—which was set forth by the leader who was the first to pioneer the road of the revolution—is enriched and developed, can the regime's character be adhered to and its role and function be enhanced. This can be realized by the leader of the excellent people who have brilliantly inherited and are completing the leader's cause.

On the basis of his scientific analysis on the people's hope and aspiration, and the higher demand of the development of the revolution, the dear comrade leader has brilliantly developed and completed the chuche-oriented regime-building ideology. Thus, he has performed an undying feat in the history of building the working class' regime.

With his energetic and profound ideological and theoretical activities, the dear comrade leader has given perfect answers to all the theoretical and practical problems arising in building a chuche-oriented regime and consolidating and developing such a regime. By doing so, he has illuminated the road to consolidating and developing the socialist regime and to which the regime should march ahead.

The dear comrade leader has announced numerous works, including "The Historic Lesson of the Socialist Construction and Our Party's General Line" and "Let Us Further Display the Superiority of Our People's Regime." Thus, he has scientifically elucidated the revolutionary essence of the socialist regime, and the fundamental principle of the regime construction and its activities, and the tasks arising in enhancing the function and role of the socialist regime and the ways to carry them forth. Thanks to the dear comrade leader's unrivalled, ideological and theoretical activities, the theoretical and practical problems arising in the construction of the socialist regime have been completely solved, and the practical methods arising in perfectly setting up the management methods of a new socialist society have been scientifically illuminated.

Like this, thanks to the dear comrade leader, the ideology on building a chuche-oriented regime has been completed and developed onto a higher stage. Thus, our people's regime has been strengthened into a powerful socialist regime that never vacillates amid the vicious maneuvers of the imperialists and reactionaries, and provided a firm ideological and theoretical guidance which would develop our regime into a revolutionary regime that triumphantly pushes ahead the socialist cause.

Another immortal achievement accomplished by the dear leader Comrade Kim Chong-il in realizing the cause of building a chuche-oriented regime was making the people's regime firmly adhere to the revolutionary character of the socialist regime.

For the people's regime to defend and develop its revolutionary character is a decisive factor for guaranteeing the solidness and vitality of the regime. Only when the people's regime invariably defends its character can it consolidate and develop the regime and smoothly perform its function and role. Even though the era develops and the situation of the revolution changes, the character of the people's regime can never change. If the character of the people's regime changes this means that the regime loses its inherent mission and cannot perform its function and role. Therefore, firmly defending the character of the people's regime is an important problem related to the destiny of the people's regime, and only by firmly defending the revolutionary character of the people's regime can the regime itself be strengthened and developed and also the regime's mission and role as the unified commanding organ of the society be smoothly performed.

The socialist regime is the regime of the leader [suryong]. The ideology and theory in building the socialist regime is created, developed, and enriched by the leader [suryong], and the regime is built, strengthened, and developed by the leader. Therefore, the leader [suryong] is the leader [yongdoja] who builds and leads the socialist regime, and the socialist regime is the weapon of the revolution and construction to realize the leader's [suryong] ideology and leadership.

Apart from the leader [suryong] we cannot think of the socialist regime and revolutionary and people-oriented politics. The politics by the socialist regime are precisely the politics by the leader [suryong], and the might and vitality of the politics by the socialist regime depend on the greatness of the politics by the leader of the working class.

Therefore, the socialist regime can become a most solid and viable regime and the socialist cause can be advanced vigorously only when the regime adheres to its revolutionary character as the leader's [suryong] regime.

The dear leader Comrade Kim Chong-il has elucidated that to adhere to its revolutionary character the socialist regime should thoroughly embody the leader's [suryong] ideology and leadership in its activities. Then, he has seen to it that all activities of the regime are conducted only under the leader's ideology and leadership. In this way, it has been possible that all activities of our regime are carried out in accordance with the leader's ideology and intent, and the might and vitality of the socialist regime have been able to be further enhanced.

Our socialist regime is the mighty regime which consummates the leader's [suryong] cause, that is, the chuche revolutionary cause. The struggle to consummate the popular masses' cause for independence is an awesome, complicated, and creative course to liquidate all legacies of the old society and to reform and remold nature, society, and human beings in conformity with the independent nature of our popular masses, and this presupposes a serious class struggle to smash the enemies' antisocialist maneuvers.

To advance and consummate the revolutionary cause it is imperative to rally all members of society into a political force, to strengthen the main force of the revolution, and enhance its role. Such a work is carried out by the people's regime that is blessed with the party's leadership. Only when the people's regime invariably adheres to its revolutionary character can it correctly organize and mobilize the popular masses into the revolutionary struggle and construction work and smoothly solve all problems arising in realizing the revolutionary cause.

Based on his profound analysis that the solidness and vitality of the people's regime should find expression in the people's regime's struggle for realizing the socialist, communist cause, the dear comrade leader has elucidated the principles and ways that the people's regime should adhere to in the struggle to realize the socialist cause, and has wisely led the regime's activities. Thus, our socialist regime has been constantly strengthened and developed into the chuche-oriented socialist regime, which is outstandingly carrying out the lofty mission of building a paradise of people on this land.

The immortal achievement that the dear leader Comrade Kim Chong-il has produced in realizing the cause for building the chuche-oriented regime is also that he has extraordinarily strengthened the function and role of the socialist regime. How to rapidly advance the socialist cause depends on how to strengthen the function and role of the regime. Only when the socialist regime's function and role are strengthened by all means, is it possible to vigorously organize and mobilize all members of society into the struggle for socialist construction and to expedite the victory of the socialist cause.

Most important in smoothly carrying out the function and role of the socialist regime is that the regime strengthens its unified guidance to society. Unified guidance to society is the inherent demand of the socialist society. The socialist society is the collectivist society in which all people are firmly rallied as one political and social organism and peacefully live, helping and leading each other. It is also a highly organized society that reforms all fields of social life and all areas of the country with a goal in mind. Accordingly, the socialist cause can be vigorously advanced only through unified guidance to society, and this can be smoothly realized by the function and role of the socialist regime, which is a most comprehensive political organization.

The dear comrade leader wisely led the work for the people's regime to satisfactorily guide the society and, thus, had the people's regime fully carry out its functions and roles. The dear comrade leader scientifically elucidated the contents of the unified guidance of the society, the inevitability of such guidance, and tasks and methods to give such guidance to the society and, thus, made it possible for the people's regime to carry out its noble mission and roles as ones that give unified guidance to the society.

As a result, our socialist regime could guide and manage political, economic, cultural, and all other fields of our social life, as well as all regions of the country, and equally and harmoniously develop them. It could also develop the people's lives equally.

In this way, the dear leader Comrade Kim Chong-il, in the proud course of wisely guiding the work of strengthening our people's regime into a chuche-oriented socialist regime, consolidated and developed our regime into a socialist regime that thoroughly defends and guarantees the popular masses' independent rights and interests and abundantly provides the people with happy material lives. He also strengthened and developed the people's regime into an invincible socialist regime that victoriously advances the socialist cause under the banner of the chuche idea.

Defending and maintaining the immortal achievements that the dear comrade leader brought about in carrying out the cause of building a chuche-oriented regime and glorifying them, is an indispensable requirement for completing the chuche-oriented revolutionary cause, cultivated by the great leader, to the end, generation after generation.

We must always uphold the dear comrade leader's leadership with loyalty in building our regime, endlessly strengthen and develop our socialist regime into the dear comrade leader's regime, enhance the regime's functions and roles by all means, and, thus, fully display the superiority of socialism of our own style.

Development of Literature, Art Highlighted

SK0811045194 Pyongyang KCNA in English 0430 GMT 8 Nov 94

[FBIS Transcribed Text] Pyongyang, November 7 (KCNA)—Thirty years have passed since the great leader President Kim Il-song published the immortal classical work "On Creating Revolutionary Literature and Art" on November 7, 1964.

In this period the literature and art of Korea has made an amazing development with the prosperous socialist reality.

President Kim Il-song founded a unique literary and art idea and gave the origin to the chuche-based literature and art in the period of the anti-Japanese revolutionary struggle. He wisely guided it to rapidly develop as socialist national literature and art truly serving the Korean revolution.

As a result, nearly 100,000 works of literature and art high in ideological and artistic plane have been created in the past three decades.

All genres of literature and art including novel, film, opera, drama, music, dance, fine art and acrobatics have reached a high level.

"The Sea of Blood," "The Flower Girl" and "The Fate of a Self- Defence Corps Man," immortal classical masterpieces created in the period of the anti-Japanese revolutionary struggle, were adapted to films, with the result that an immortal monumental model of revolutionary cinematic art was created and its revolutionary tradition was established.

These masterpieces were successfully operatized and dramatized so that the new "Sea of Blood"-style revolutionary opera in which stanzaic songs and pangchang, national dances and stage decor art are organically welded together and the new "Mountain Shrine"-style revolutionary drama were created to herald revolutions in opera and drama.

In this course, more than 8,000 major films and stage works were produced.

Some 100 novels including full-length novels "1932" and "At The Foot of Mt. Paektu" in the cycle of novels "Immortal History" and over 2,000 pieces of poems and words of songs including "Son of the People," "One Large Family," "Mother," "Song of Comradeship" and "Let Us Defend Socialism" are masterpieces reflecting the demand of the era and the desire of the people.

National musical instruments have been improved and a new orchestra by the combination of national and Western musical instruments has been created to enrich the storage of chuche-based art.

The appearance of the pochonbo electronic band and the Wangjaesan light music band is a pride of chuche-based art adding shine to the history of socialist renaissance.

"Led by You, We're Ever-victorious," "The Dear Name," "Song of Three Prides," "Whistle," "Four Seasons of Pyongyang" and other songs of diverse themes which were created by the bands powerfully inspire the people to revolution and construction for their high ideological and artistic value.

Also created were "The Grand Monument on Mansu Hill," "The Grand Monument on Lake Samji" and other monumental edifices and paintings, mainly Korean paintings, crafts and embroideries, more than 12,000 pieces in all.

Acrobatics and mass literature and art, too, have made a rapid progress.

Today the literature and art of Korea is being successfully developed under the wise guidance of the dear leader Comrade Kim Chong-il who is creditably carrying forward the noble intention of the great leader President Kim Il-song.

Tourist Mountain Resort Town Hyangsan Described

SK0511153694 Pyongyang KCNA in English 1510 GMT 5 Nov 94

[FBIS Transcribed Text] Pyongyang, November 5 (KCNA)—Hyangsan is bustling these days with tourists coming to Mt. Myohyang.

Hyangsan situated at the juncture of the stream flowing from Mt. Mhohyang, one of the five famous mountains of Korea, and the river Chongchon, is a town of culture and rest where the tour of Mt. Myohyang begins.

The town, which was a lonely mountain village before the liberation of the country, has turned into a mountain resort for the people under the wise leadership of the great leader President Kim Il-song after the liberation.

The president visited the town on 60 odd occasions from 1947.

In October 1979, he visited Hyangsan and unfolded the bright vista of turning this scenic place into a mountain resort town while examining the general design for the building of Hyangsan-up.

Later, he called at the town on several occasions and gave meticulous guidance in its construction from its planning to the style on dwelling houses. He gave instructions to build the town well on a peculiar pattern in Korean style.

The town has changed beyond recognition.

Standing in rows along the street of the beautiful town of Korean flavor are two- and three-storied Korean-style gable-roofed dwelling houses and tourist hotels with red and green roof tiles, cultural and welfare, commercial and service establishments.

A wonderful network of service facilities for tourists is available. The town has three well-furnished tourist hotels. There are also shops including a souvenir shop, restaurants and soft drink bars.

The Hyangsan barrage across the River Chongchon and the man-made lake brought into shape by it add beauty to the townscape. The town has a number of local industrial factories including foodstuff factories and a souvenir factory.

South Korea

IAEA Calls Special Meeting on Nuclear Issue

SK0711124794 Seoul YONHAP in English 1236 GMT 7 Nov 94

[FBIS Transcribed Text] Berlin, Nov. 7 (YONHAP)—The International Atomic Energy Agency (IAEA) will convene a special Board of Governors meeting on Friday this week, IAEA sources said Monday.

The sources said the meeting is designed to discuss the request made late last week by the United Nations Security Council for surveillance by the IAEA of North Korea's freezing of its nuclear activities.

At the single-day meeting, they said, IAEA board member countries are expected to discuss the issue of asking the IAEA Secretariat to prepare steps the IAEA should carry out to meet the UNSC request.

A UNSC presidential statement, expressing support to the U.S.- North Korea agreement, asked the IAEA to surveil the freezing by North Korea of its nuclear activities.

The statement expressly called on the IAEA to take all necessary steps it deems necessary to ascertain if North Korea freezes its nuclear activities and fully fulfills the nuclear safeguards agreement.

Han on First DPRK Energy Development Meeting

SK0811015494 Seoul KBS-1 Radio Network in Korean 0100 GMT 8 Nov 94

[FBIS Translated Text] Han Sung-su, the ROK ambassador to the United States, revealed that the first meeting of the Korea Energy Development Organization [KEDO], an international consortium to assist with the light-water reactor in North Korea, will be held in Beijing late this year.

This was revealed by Ambassador Han when he held a morning meeting with the members of the National Assembly's Foreign and Reunification Committee today. From the aspect of luring China's participation regarding the assistance of the light-water reactor, he said that there is a high possibility that China will take part in the KEDO.

Regarding suspicions at home on whether our country will have to be burdened with assisting North Korea with substitute energy, Ambassador Han explained that this is not true at all.

Hwang Pyong-tae, ROK ambassador to China, said that the issue of bringing in North Korea to the Asia-Pacific Economic Cooperation Conference in two to three years will be promoted through China.

ROK ambassadors to the four big powers—the United States, Japan, China, and Russia—surrounding the Korean peninsula, took part in today's meeting. Regarding the assistance of the light-water reactor to North Korea, the members of the Foreign and Reunification Committee requested that efforts be made so that it will not greatly burden the people.

Government Decides on Reactor Planning Group

SK0811112194 Seoul YONHAP in English 1115 GMT 8 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP)—The South Korean Government on Tuesday decided to establish a "light-water reactor planning group" taking charge of support for light-water reactors for North Korea.

The decision was made at a unification-related ministers meeting held under the chair of Deputy Prime Minister Yi Hong-ku.

Vice Unification Minister Song Yong-tae said the group will oversee all programs related to support for North Korean light-water reactors such as raising of funds.

The group will comprise officials from Chongwadae [presidential offices], prime minister's office, economic planning and National Unification Boards, and related ministries and corporations like the Foreign, Finance, Construction and Science-Technology Ministries, and the Korea Electric Power Corp. and the Atomic Energy Research Institute.

First Assistant Foreign Minister Choe Tong-chin has been designated as the head of the group whose inauguration will be subject to cabinet approval, a source said.

Kim Unhappy With North Nuclear Deal 'Aspects'

BK0811095094 Hong Kong AFP in English 0929 GMT 8 Nov 94

[FBIS Transcribed Text] Sydney, Nov 8 (AFP)—South Korean President Kim Yong-sam has expressed unhappiness over aspects of the deal between the United States and North Korea providing for a freeze in the North's nuclear programme.

In the interview with THE AUSTRALIAN published Tuesday, Kim described some specifics of the Geneva agreement struck last month as "not entirely satisfactory" and said the agreement in general was "not exactly the best possible solution."

Kim stressed he supported the agreement overall, but added, "we must make sure that North Korea faithfully implements the contents of the Geneva agreement," the newspaper reported.

He said now that the basis for the resolution of the North Korean nuclear issue is in place, the intra-Korean dialogue could be expected to be resumed shortly.

He said that the death of North Korean leader Kim Il-song had caused difficulties for South Korea, and he referred to the failure of Kim Chong-il—the dead leader's son—to take formal power in Pyongyang, The Australian reported.

"As for the new leadership in North Korea, my impression is that there are not any competent opposition groups in North Korea that may challenge the practical leadership of the new leader Kim Chong- il," he said.

"But, somehow, there isn't official leadership in the North, which is something rather difficult to understand," he told the newspaper.

Russia, North Study Nuclear Power Cooperation

SK0511152394 Seoul CHUNGANG ILBO in Korean 5 Nov 94 p 2

[By correspondent An Song-kyu from Moscow]

[FBIS Translated Text] Russian Deputy Foreign Minister Aleksandr Panov stated on 4 November that North Korea and Russia will examine the possibility of resuming mutual cooperation in the field of nuclear power generation and that, as a part of this plan, they are ready to hold working-level talks to discuss the resumption of building a nuclear power plant near Pyongyang.

In an interview with INTERFAX that day, Deputy Minister Panov said: "The power plant to be built near Pyongyang is a model that uses light-water reactors."

Without mentioning the exact date of the working-level talks, Deputy Minister Panov simply said that the talks will be held "in the near future."

Regarding Russia's participation in the international consortium, Deputy Minister Panov stated: "Russia has repeatedly declared that it is ready to proceed with the project, and this is backed by Russia's technology, safe equipment, and competitive strength." He then added: "North Korea has expressed, on many occasions, that it supports Russia's participation in the program of replacing its reactors."

Secretary Christopher's Coming Visit Analyzed

SK0811033494 Seoul TONG-A ILBO in Korean 8 Nov 94 p 3

[Editorial: "Christopher's Visit to the ROK"]

[FBIS Translated Text] Following an agreement reached in Geneva between the North and the United States for the solution of North Korea's nuclear issue, somewhat skeptical views have prevailed throughout ROK society as to the Clinton U.S. Administration's way of approaching the questions on the Korean peninsula. Herein lies the reason why we are paying attention to the visit to the ROK by the U.S. secretary of state who will be here for two days and three nights beginning 8 November.

Is the agreement between the North and the United States the turning point to positively develop the situation on the Korean peninsula? We understand that the U.S. Administration's perception of this question is somewhat positive. In recent days, apart from the nuclear issue, high-ranking officials of the U.S. Administration have begun touching upon the question of reducing North Korea's conventional military capabilities. This seems to have something to do with such a positive perception of the United States. This seems to be connected with the U.S. Administration's idea on security of the ROK and stability of the Korean peninsula. This notwithstanding, from a certain point of view, we find that this somewhat favors more the interests of the United States—giving priority to the world-oriented strategy of the United States—than those of the ROK.

As has been exposed in the process of solving North Korea's nuclear issue, U.S. interests are not necessarily in accord with ROK interests. A high-ranking U.S. Administration official has said that a condition for the establishment of diplomatic relations between the North and the United States is to see North Korea give up its development of 1,000 km-long range missiles and withdraw its troops concentrated along the DMZ. In this regard, if he had said this for the sake of the ROK's security, he should have put the latter ahead of the former. Nonetheless, we wish that such conditions for the establishment of diplomatic relations between the United States and North Korea, as put forth by the U.S. Administration, are satisfied. This is because the ROK's security is largely threatened by North Korea's missiles and its troops concentrated in the forward area alike.

In every respect, the North-U.S. agreement reached in Geneva was the settlement of negotiations, not a complete solution to the North Korean nuclear issue. North Korea's nuclear issue will be resolved some 10 years later when the construction of light-water reactors is completed. Until that time, North Korea can still wield its nuclear bargaining chip. At the moment, no one can predict what kind of ups and downs we will experience again in the process of implementing the North-U.S. agreement. The fact that North Korea has offered resistance to the presidential statement of the UN Security Council supporting the North-U.S. agreement shows that such a possibility always exists. But the framework of the direct negotiations between the United States and North Korea will not change. The question of South-North relations, aside from the nuclear issue, cannot be put into such a framework.

This may be out of our groundless apprehensions. But we hope that such an unfortunate event as the North and the United States reaching an undisclosed agreement behind ROK's back will not take place. One such possibility is related to the question of aiding in North Korea's construction of light-water reactors. The light-water reactors to be built for North Korea should be ROK-style atomic reactors, which will be built with ROK's own designs and technology. If the United States should try to seek a compromise measure because of North Korea's objection, this would bring about a strange result in which the ROK provides money and the United States sells its own light-water reactors. Therefore, the North-U.S. agreement reached in Geneva, with the United States and one of its main signatories, has remained a pitfall—as far as the ROK is concerned—from the beginning. The U.S. attitude toward the question of aiding in the construction of light-water reactors will serve as the most important index which will enable us to foresee ROK-U.S. relations following the agreement reached between the North and the United States. We want to hear an answer to this from Secretary Christopher.

Editorial Recommends Talk Issues

SK0811065894 Seoul CHUNGANG ILBO in Korean 8 Nov 94 p 3

[Editorial: "What Must Be Discussed With U.S. State Department"]

[FBIS Translated Text] It has been over three weeks since North Korea and the United States reached an agreement on the North Korean nuclear issue. Still, we feel somewhat dissatisfied rather than relieved by the signs of the resolution. This is due to the undiminished concern over too many concessions and the consequent empty feeling, the problems of the traditional ROK-U.S. alliance that once emerged during the negotiations, and a conjecture that North Korea and the United States might have made a secret agreement behind the ROK's back.

U.S. Secretary of State Warren Christopher, who is scheduled to visit the ROK on 8 November, should dispel such feelings and concerns. We believe he will indicate the limit of the ROK's burden in providing light-water reactors and alternative energy for North Korea, and discuss the conditions for each step of the improvement of the North Korea-U.S. relations.

It is important that he clarify the direction of U.S. policy on the Korean peninsula in accordance with the development of the North Korea-U.S. relations; U.S. policy on the ROK in line with its international strategy; U.S. position on the North Korean offensives concerning the peace agreement; and its promises on ROK-U.S. security, including the confirmation of the issue of the U.S. Forces in the ROK.

Such promises should become concrete with the progress of the implementation of the North Korea-U.S. Geneva agreement. There are many important issues in every step of the provision of light-water reactors for North Korea and the improvement of North Korea-U.S. relations. Keeping the promises means close discussions between the ROK and the United States in each of the steps.

Previous U.S. conditions for improving relations, such as the issues of nuclear terror, human rights, and the proliferation of missiles, are almost forgotten due to the nuclear issue. Only one of the many conditions, the nuclear issue, has been discussed on a full scale.

Others are also very important to the ultimate peace and stability of the Korean peninsula. In order to make North Korea a sincere member of international community, it is time to raise the pending issues of human rights, terror, and armaments including missiles. These issues are expected to be discussed in-depth between the ROK and the United States on the occasion of Secretary Christopher's visit.

U.S. Secretary of State Arrives for Consultations

SK0811090294 Seoul YONHAP in English 0856 GMT 8 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP)—U.S. Secretary of State Warren Christopher came to Seoul Tuesday on a three-day visit to discuss follow-up steps to the Oct. 21 nuclear agreement with North Korea and to allay Seoul's concerns about the accord.

He is accompanied by the chief negotiator of the agreement, Robert Gallucci, and Assistant Secretary Winston Lord. This is the first time that Christopher has come to Seoul on an independent trip, not accompanying President Bill Clinton.

The secretary will hold a consultation session with South Korean Foreign Minister Han Sung-chu Wednesday morning and meet again later for luncheon talks.

He will deliver a speech at the Korea-America Friendship Society on regional security matters later that day.

He is scheduled to meet President Kim Yong-sam on Wednesday as well.

Gallucci will hold separate talks Wednesday afternoon with Assistant Minister Choe Tong-chin, who is to lead a special committee arranging the provision of nuclear reactors for North Korea, a key part of the Oct. 21 agreement.

The nuclear accord commits North Korea to freezing its nuclear activities in exchange for the new reactors and better ties with the United States.

South Koreans have not been receptive to the agreement, which they view as conceding too much to Pyongyang and pushing Seoul to the sidelines.

Christopher is stopping here on his way to Jakarta for this year's Asia-Pacific Economic Cooperation (APEC) conference. Some 100 aides accompanying him to the APEC summit have also come to Seoul.

U.S. Firms' Investment Plans in North Studied

SK0811112694 Seoul YONHAP in English 1119 GMT 8 Nov 94

[FBIS Transcribed Text] Beijing, Nov. 8 (YONHAP)—Major American corporates move fast to advance to North Korea riding the tide of improving relations between Washington and Pyongyang, and they plan to invest some 7 billion dollars in North Korea in the long run, a source here said Tuesday.

The highly placed intelligence source from an East European country said the American Telephone and Telegraph Co., General Electric and some other business giants have been making confidential feasibility studies of their planned projects in North Korea.

Because of the move, the role of the Eurasia Business Consulting Co., an English consulting firm active in North Korea, and the UN Development Programme which is overseeing the Tuman River development project, has been growing steadily, the source said.

He said the areas American industries are interested in at the moment include gold and uranium mines and petroleum and gas exploration in North Korea.

Large new gold deposits were discovered recently near the existing gold mine at Wunsan in North Pyong-an Province to attract much attention of Western industries.

Western firms' interest is also drawn to the possible rich oil and gas deposits in the continental shelf area off North Korea's west coast, the source added.

Departure of Japanese Delegation to North Delayed

SK0811064594 Seoul CHUNGANG ILBO in Korean 8 Nov 94 p 2

[By correspondent Yi Sok-ku from Tokyo]

[FBIS Translated Text] It seems that the dispatch of a Japanese coalition ruling party delegation to North Korea to promote resumed negotiations for the normalization of diplomatic relations between the DPRK and Japan, will be delayed somewhat.

The coalition ruling party, consisting of the Liberal Democratic Party, the Social Party, and the (Sakikakke) Party, held a meeting on 7 November and discussed the issue of dispatching a delegation to North Korea. However, since North Korea has not officially expressed its position and there is the possibility that it may request that the three parties—the Liberal Democratic Party, the Social Party, and the Workers Party of Korea [WPK]—reconfirm the agreement made among the three parties in 1990, Japan decided to exercise caution regarding this matter.

In this connection, the Japanese coalition ruling party decided to hear from (Yamahana Sadao), former chairman of the Social Party who was a member of the Liberal Democratic Party and Social Party's visiting group to North Korea, on the details of the 9 November agreement.

The Liberal Democratic Party and Social Party delegation visited North Korea in 1990 and agreed with the WPK to resume negotiations on establishing diplomatic relations. The agreement stipulated that compensation would be made regarding the 45 years following World War II, but the Japanese Foreign Ministry strongly opposed this, and in the eight negotiations to establish diplomatic relations with North Korea since then, it has adhered to the position that the agreement was made between the parties, not between the governments.

UNDP 'Ready To Push' North Free Trade Zone

SK0811050694 Seoul YONHAP in English 0452 GMT 8 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP)—The UN Development Program [UNDP] is ready to push its ambitious plans for developing a free trade zone in North Korea now that South Korea has given the green light to inter-Korean economic cooperation, the program's new Seoul Chief Kyaw Lwin Hla said Tuesday.

"I cannot reveal the details because the program has to be discussed with North Korea," he said in an interview after presenting his credentials as the new UNDP resident coordinator.

"But we will be pursuing our program very soon," he said.

The UNDP is the key organizer of North Korea's Najin-Sonbong free trade zone project joined by South and North Korea, China, Mongolia and Russia.

The UNDP "was overwhelmed, very happy" about South Korean President Kim Yong-sam's announcement Monday that calls for free inter-Korean economic cooperation with the recent progress in Pyongyang's nuclear issue.

"We are very much gratified," Hla told reporters, labeling Najin- Sonbong "the last remaining frontier of the Northeast Asian region." The announcement, he said, would allow South Korean businessmen to visit North Korea for various projects including the free trade zone plan.

He welcomed recent moves by the Western business community, especially the U.S. telecommunication giant AT&T, which conducted a survey in North Korea.

"Communication is so vital for development of any area, opening up the country," said Hla.

He envisioned an expanded role for the UNDP in North Korea. The UNDP is the only resident UN office in North Korea, and it is a unique organization that represents all UN agencies.

"North Korea has not benefited much from bilateral aid," he said, but with the recent developments this is certain to change.

"There will be a lot of opportunities in the future for development assistance aid to North Korea, lots of multi-and bilateral programs," he said.

Envoy to PRC 'Pessimistic' on N-S Cooperation

SK0811052894 Seoul YONHAP in English 0511 GMT 8 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP)—The Korea Energy Development Organization (KEDO), an international consortium that will handle the light-water reactor project in North Korea under the Pyongyang-Washington agreement, will hold its first general assembly and officially get off the ground this year.

"We expect the first plenary session will be held sooner or later in Beijing," South Korean Ambassador to the United States Han Sung-su and ambassador to China Hwang Pyong-tae reportedly said in a meeting with the National Assembly Foreign Affairs and National Unification Committee members.

Han and Hwang, as well as ambassadors to Japan and Russia, have been called back temporarily to fine-tune the country's foreign policies with their boss, Foreign Minister Han Sung-chu.

Accoring to the ambassadors, the KEDO Seceretariat will likely be set up in Beijing to ensure more convenient contacts with Pyongyang.

Commenting on the withdrawal of U.S. troops based in South Korea, ambassador Han was quoted as saying: "Although the North Korean nuclear issue could be settled and the tension on the Korean peninsula eased, the United States would not pull out even the U.S. Forces in Japan or those in South Korea in consideration of its economic interests in the Asia-pacific region and to preserve stability in Northeast Asia."

Han emphasized once again that there is no change in Seoul's and Washington's basic stances, with South Korea not to bear any additional financial burden besides building light-water reactors, committee members said.

As to South-North Korean economic cooperation, ambassador to China Hwang was known to have forecast that "chances are not high for North Korea to begin direct economic exchanges and cooperation with South Korea." He suggested that the South should advance jointly into the North with China, which has close relations with Pyongyang.

Hwang was pessimistic about inter-Korean economic coopperation, saying, "The North will not open regions to the South other than the Najin-Sonbong free trade zone."

In connection with diplomatic normalization between Tokyo and Pyongyang, ambassador to Japan Kong No-myung reportedly said: "Judging that the North Korean issue was addressed at the U.S.-North Korea talks, Tokyo is seeking normalization of diplomatic ties with Pyongyang. But Pyongyang is setting conditions, including compensation for the Japanese colonial rule, promised by Shin Kanemaru, who visited North Korea in 1990 as vice chairman of the Japanese Liberal Democratic Party (LDP)."

"The Russian Government feels great discomfort over the exclusion of the country from Korean issues," said Ambassador to Russia Kim Sok-kyu, adding that Moscow intends to take part in the construction of light-water reactors.

N-S Economic Cooperation Procedures Outlined

SK0811060194 Seoul YONHAP in English 0539 GMT 8 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP)—As the government lifted the ban on economic cooperation with North Korea Tuesday, the business community turned its attention to procedures for promoting inter-Korean economic links.

At present, business people planning to contact North Koreans in any form are required to obtain approval from the National Unification Board and other relevant government agencies under the existing law.

The government, classifying business relations with Pyongyang into three categories—visiting the North and meeting North Koreans in places other than that country, merchandise trade and investment, direct and joint—has set procedures for obtaining approval in each of these categories.

With the ban gone, however, such procedures will be greatly simplified.

Under the present procedures, a person planning to meet a North Korean in a third country must submit an application to the National Unification Board no later than 20 days before the appointed date. In the case of a meeting without prior approval, however, a meeting report, attached to a statement explaining why the meeting took place without prior approval, will suffice if it is submitted within a week of the meeting.

But this procedure does not apply to overseas Koreans meeting North Koreans.

A visit to North Korea requires submission of an application at least 30 days before departure. This application must include the North's guarantee of the visitor's safety during his stay and his safe return to the South, among other documents.

Overseas Koreans visiting North Korea must submit an application to the Korean diplomatic mission in their country five days before the visit, and those traveling to the North without prior approval are required to submit a visit report no later than 10 days after their return from North Korea.

The procedures for applying for merchandise trade with North Korea are more complex.

Businessmen wishing to export to or import from the North, say, fabrics, must first get a business license for that item. Trade in artworks, currency, securities and explosives is banned.

Examining an application for trade with the North, the National Unification Board checks possible military uses by the North and the influence on the domestic industry and inter-Korean trade and other aspects in consultation with relevant government agencies. This application must include the government's trade permission, a contract with a North Korean firm and the North's guarantee of a refund in case the North Korean exporter fails to make shipment after receiving payment in advance.

Both direct and joint investment in the North is also subject to the government's approval.

The National Unification Board is required to take action on an application for investment in the North no later than 30 days after it receives the application, in consultation with relevant government agencies.

For a firm to get approval for its North Korea investment plan, it must have business records in the country or overseas over three years in the recent past and the investment plan must contribute to improving inter-Korean relations.

Government Plans N-S Competition Guidelines

SK0811073694 Seoul YONHAP in English 0716 GMT 8 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP)—The government will shortly prepare guidelines on inter-Korean economic cooperation to prevent overheated competition for the business pie in North Korea.

Meeting reporters Tuesday, Trade, Industry and Energy Minister Kim Chol-su said his ministry would prepare the guidelines along with related ministries, while the private sector will take the initiative in promoting economic cooperation with the North.

To prevent conglomerates from hogging the pie, Kim opined, measures are needed to guarantee small and medium-sized businesses' participation.

In a related development, Vice Economic Planning Minister Kang Bong-kun said that private sector economic cooperation and exchanges with North Korea would be subject to government controls.

Although the ban on inter-Korean trade was lifted Tuesday, companies wishing to trade with the North should go through the government's approval procedures to ensure orderly South-North economic relations in the initial stage.

As for trade in a specific area such as garments, however, the industry concerned will be allowed to exercise self-control over the number of participating firms, the quantity of trade and other factors, he said.

Commenting on the funding for North Korea's light-water reactor project, Kang said: "To put it simply, you may consider that Korea Electric Power Corp. will build a nuclear power plant in the North." He thus suggested that the funds will not come from the national treasury.

Businesses 'Expected' To Promote N-S Projects

SK0811074294 Seoul YONHAP in English 0655 GMT 8 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP)—With the easing of restrictions on inter-Korean economic cooperation, South Korean businessmen are expected to get busy promoting projects in North Korea by visiting and setting up branch offices there.

The nation's top business conglomerates, however, have no intention of acting too hastily in sending their top men to the North. Rather, they will promote business links after observing future developments in the reclusive country.

Such conglomerates as Samsung, Hyundai, Lucky-Goldstar and Daewoo have decided to push projects in the North they have already been promoting, now that obstacles to inter-Korean economic cooperation have been removed to a large extent.

But in view of North Korea's weak infrastructure and the fact that direct investment in the North is permitted only up to 5 million U.S. dollars, South Korean enterprises plan for the time being to activate processing-on-commission trade and small-scale investments centered on promising items such as textiles.

The Samsung group, attaching importance to an early presence, is out to open an office in Pyongyang as soon as possible.

Most interested in North Korea among its affiliates are Samsung Electronics and Samsung Co. The groups's vice chairman for electronics, Kim Kwang-ho, or President Sin Se-kil will apply to visit the North first, a group official said Tuesday.

As promising electronics items that could be manufactured in the North, the group cites televisions, audio equipment and parts, communication networks, refrigerators, electric fans, heaters and telephone sets. In textiles, Samsung intends to process men's suits, trousers, T-shirts and women's dresses on a commission basis.

It was Hyundai group honorary Chairman Chong Chu-yong that visited North Korea in January 1989 as the first officially invited South Korean businessman. He then agreed with North Korean authorities on the development of Mt. Kumgang (diamond), joint construction of the Wonsan ship repair yard and joint manufacturing of railroad coaches.

Hyundai Corp. Chairman Yi Chun-nim and senior officials of Hyundai Engineering and Construction Co. as well as Hyundai Department Store visited Beijing in early October to meet with Chairman Yi Song-nok of the Koryo National Industrial Development Council, the North's overseas agency for external economic cooperation, and reconfirmed the project agreements reached five years ago.

Hyundai engineering and construction is also seeking to participate in the North's light-water reactor project.

The Lucky-Goldstar group plans to activate procession-on- commission manufacture of clothes, batteries and electronic goods at first. It is also promoting joint ventures manufacturing soap, polyvinyl chloride flooring and medicines. On a medium- and long- term basis, Lucky-Goldstar intends to promote the crude oil refining and petrochemical industries. In addition, the group is interested in exploiting gold, zinc and iron mines, and such infrastructure projects as port and industrial estate facilities and railroads.

The Daewoo group aims to initially conduct feasibility studies of projects related to the Nampo industrial estate, development of an electronics assembly plant, and exploration and mining of zinc ore around Unpa, Hwanghae Province.

Daewoo has received letters of invitation for staff members who will conduct field surveys at the Najin-Sonbong Free Economic and Trade Zone as well as supervise processing-on-commission trade.

The Sunkyong group plans to gradually replace indirect trade with direct trade, showing an interest in such items as clothes, chemicals, woven goods, footwear, farm and fishery products, non- ferrous metals and construction materials.

But Sunkyong is cautious about doing business in North Korea in light of its past default on overseas payments and poor infrastructure.

Hanhwa group Chairman Kim Sung-yon, during a July meeting in Beijing with Im Tae-tok, vice chairman of the North's External Economic Cooperation Promotion Committee, exchanged wide-ranging views on petrochemicals, communications, energy and tourism. Hanhwa is angling to establish facilities for a low-density polyerthylene, a film for agricultural use.

The Ssangyong group is looking to promote a North Korea visit by a trading director of Ssangyong Corp. The group plans to study the establishment of an office in Pyongyang after observing progress in inter-Korean economic relations.

Measures for N-S Economic Projects Detailed

SK0811095194 Seoul YONHAP in English 0942 GMT 8 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 8 (YONHAP)—The South Korean Government announced Tuesday it has decided to allow pilot inter-Korean economic projects involving food, daily necessities and other items that can contribute to forming a national community with North Korea.

The government held a unification-related ministers' meeting at the National Unification Board (NUB) presided over by Yi Hong-ku, deputy prime minister and NUB minister, to decide measures to revitalize inter-Korean economic cooperation.

South Korean companies will also be permitted to employ North Korean labor in third countries, the meeting decided.

Moreover, if the government judges that inter-Korean economic cooperation has been revitalized and that bilateral relations have improved, it will push to provide the North with social overhead capital and supply food and energy to the North in order to form the basis for the national community.

During the meeting, the government decided to allow businessmen and private inspection teams to visit North Korea for feasibility surveys and consultations with North Koreans on various projects, as it judged a breakthrough has been made in the North Korean nuclear issue with the conclusion of the Geneva talks between Pyongyang and Washington.

The government also decided to allow engineers and technicians to visit the North for plant management, quality control or technical assistance and permit production facilities and equipment to be brought to the North in an effort to activate processing-on- commission trade.

The government will also allow local businesses to establish their branch offices in the North so that they could proceed with small scale economic cooperation projects in the fields which could contribute to improving the living standard of the North Korean people and forming a national community.

The economic cooperation between Seoul and Pyongyang, therefore, will likely resume in two years after it has been severed in the wake of an espionage case in October 1992 and North Korean nuclear issue.

Regarding pilot projects, the government decided to allow the use of North Korean manpower at construction and resources development sites in third countries on a pilot basis.

South Korean industries will also be permitted to invest in North Korea through joint ventures with third countries or locally incorporated firms, and to take part in multilateral cooperative projects in North Korea undertaken through the good offices of international organizations.

The government will prepare a basic framework for inter-Korean economic cooperation, such as investment guarantee and the prevention of double taxation.

At the same time, a meeting of the South-North Exchanges and Cooperation Promotion Council will be held soon to work out a detailed guideline for the orderly promotion of South-North economic cooperation.

As for visits to North Korea by businessmen, the government, while respecting mutual agreement between South and North Korean business people, will allow travels back and forth through third countries as well as through Panmunjom.

A total of 38 industries are known to have been invited by North Korea to visit the North for business consultations, which include such major conglomerates as Hyundai, Samsung and Daewoo.

"We have taken the measures on the consistent basis of linking the nuclear issue to inter-Korean cooperation," Vice Unification Minister Song Yong-tae said.

These measures, Song said, will be prudently promoted step by step depending on progress in South-North dialogue and overall inter-Korean relations.

He thus implied that the government would link South-North economic cooperation to the improvement of inter-Korean relations.

Defector Testifies on POW Status in DPRK

SK0611061794 Seoul CHOSON ILBO in Korean 5 Nov 94 p 6

[By Yi Hang-ku, formerly a sergeant in the Korean People's Army of North Korea, on the status of South Korean prisoners of war in the DPRK, as told to reporter Kim Hyon-ho; date and place not given—first paragraph is CHOSON ILBO editorial notation]

[FBIS Translated Text] During the Korean war, North Korea organized separate units utilizing South Korean prisoners of war [POW's], brainwashed them, and deployed them in railway repair work. Following the war, these prisoners were given the lowest classification and sent to mines or plants. This was revealed by Yi Hang-ku, author of the novel "Kim Il-song" and a specialist in North Korean affairs, who defected to the South in 1966. He was a soldier in the Korean People's Army along with South Korean prisoners of war. The following is Yi's testimony on the life of these prisoners of war.

I went to the North during the Korean war and graduated from "Seoul Political School" in Pongsan, Hwanghae Province [as published]. From there, I worked as an instructor in the Finance and Accounting Department of the Seoul Instruction Division at party headquarters, but was purged in 1951 and sent to "the 22d Brigade of the Korean People's Army" in Yaksandongdae, Yongbyon, where the nuclear facilities are currently located. The unit was established on 9 October, 1951. Except for the cadres, all the troops were prisoners of war. I was a sergeant assigned as the squad leader of a patrol. The brigade commander was Song Ho-song, who had been the supreme commander of the National Defense Security Forces before defecting to the North in 1950; the political director was Han Chol, a major figure from the faction belonging to the Workers' Party in South Korea. The battalion commanders were Kang Tae-mu and Pyo Mu-won, who also defected to the North along with their troops. The training focused on political and ideological indoctrinations to brainwash the captives.

After six to eight months of training, the 22d Brigade was disbanded and the soldiers dispersed. I was dispatched to the 584th Unit of the Korean People's Army. The main duty of the unit was repairing railways. All troops in the unit's three brigades were prisoners of war. The commander was Lieutenant General Kim Chu-pong, whose background is the Balu Army. The brigade's troops were deployed along the railway from the very front to rear areas, with frequent traveling.

UN Forces dropped time bombs on the railways to paralyze the system. After being dropped, the bombs imbedded themselves underground and exploded randomly. It was the prisoners' duty to remove those bombs. They had to dig out the bombs, which were one to two meters underground, and bring them to nearby paddy fields to be exploded. Four to eight prisoners formed a team. It was deadly work because the bombs could explode at any time, and the slightest mishandling could also cause a explosion. Numerous prisoners died daily. Most did not survive the fifth trip.

Another unit of made up of South Korean prisoners of war was the 218th Unit. The unit's duty was to restore airports. There were four airports in Pyongyang, Sinuiju, and Onchon and Hwangju Counties in Hwanghae Province. All the captives were camouflaged with Korean People's Army uniforms and rank so U.S. Forces could not identify them by aerial photographs. It was no less risky than railway repair because they worked under the constant threat of being attacked by U.S. planes. It cost numerous lives.

After the war, North Korea began discharging South Korean prisoners of war, finishing in 1956. They returned to society as "revolutionary fighters," but most had to continue laborious works in mines, cooperative farms, and plants. I became a reporter for the Central Broadcasting Network and had many opportunities to meet these "revolutionary fighters" while reporting on various industrial sites across the country. They all led miserable lives. At the Hungnam Fertilizer Plant, I met An Kon-yong and Yu Man-sik, who were from the same 44th class of the Hwimun Middle School as I was. After being captured, they were deployed to the 218th Unit and worked at Onchon Airport. Following the war, they worked at the plant as laborers. I learned about the 218th Unit from them. South Korean soldiers captured by North Korea can be divided into three categories. Soldiers in the first category were deployed to combat and reconnaissance missions after being captured, as in the case of Cho Chang-ho.

The second and largest category was the aforementioned construction units. Those of the third category were sent to a concentration camp in Pyoktong County in North Pyongan Province. Repatriated soldiers were mostly from the concentration camp, while almost none of the first two categories were allowed to return.

The number of prisoners of war in North Korea during the Korean war was estimated to be 82,000 to 87,000. Only some 7,000 returned. Among some 80,000 abducted by North Korea, deduct 20,000 to 30,000 who died during the war, and another 30,000 who died following the armistice. Thus, there are still 20,000 to 30,000 alive.

O Chin-u Said Not To Undergo Surgery in Paris

SK0811010194 Seoul YONHAP in English 0051 GMT 8 Nov 94

[FBIS Transcribed Text] Paris, Nov. 8 (YONHAP)—O Chin-u, North Korea's No. 2 man who is in Paris for treatment of a lung ailment, will remain for several more weeks, a diplomatic source said Tuesday.

The 77-year-old minister of the People's Armed Forces arrived here Oct. 25 and has since received two hospital checkups, including a special one, which reportedly confirmed that he is suffering from lung cancer.

O started receiving regular medical treatment at another hospital this week, though the treatment's precise nature is not known. This hospital will treat him for one or two weeks and then take another week to determine the results, the source said.

He added, however, that O would not undergo surgery in Paris. Whether he needs an operation or can recover without surgery is uncertain.

PRC's Focus, 'Equidistant Diplomacy' Protested

SK0611034294 Seoul CHOSON ILBO in Korean 6 Nov 94 p 2

[Article by Beijing correspondent Pak Sung-chun; from the "Reporter's Memo" column—"PRC's 'Economic Diplomacy'"]

[FBIS Translated Text] On 4 November, PRC Premier Li Peng left Cheju Island and returned to the PRC. So far RENMIN RIBAO, the official newspaper of the Communist Party of China [CPC], has reported on Premier Li's visit to the ROK with the following headlines: "Premier Li Peng Arrives in Seoul, Receives Warm Welcome"; "Prime Minister Yi Yong-tok Talks With Premier Li Peng, Exchanges Broad-Ranging Views on Strengthening PRC-ROK Economic, Trade Cooperation"; and "PRC, ROK Foreign Ministers Have Breakfast, Express Satisfaction Over the Two Countries' Economic Cooperation."

Those headlines clearly show that the focus of Premier Li's visit to the ROK was economic cooperation. RENMIN RIBAO also carried the following headlines: "Premier Li Peng Inspects ROK Enterprises"; "Premier Li Peng Explains PRC's Economic Policy to ROK Businessmen"; and "Premier Li Peng Inspects Automobile and Shipbuilding Bases in Pusan."

There is more. Almost all commentary headlines carried by RENMIN RIBAO during Premier Li's stay in the ROK were of an economic nature. They include: "Friendship and Joint Venture, Upon Seeing Premier Li's Inspection of ROK Enterprises" and "Prospects for PRC-ROK Industrial Cooperation Are Broad."

In those headlines, we cannot find the slightest sign that discussions about North Korea's nuclear issue or the situation in Northeast Asia were conducted. In a word, RENMIN RIBAO reported that Premier Li visited the ROK to consolidate economic cooperation in all respects.

In its 1 November issue, RENMIN RIBAO carried a delicate message while reporting on Premier Li's arrival in Seoul. Side by side with the headline news about Li Peng's arrival in Seoul, the newspaper carried a similarly-sized article about PRC President Jiang Zemin's meeting with Chong Tu-hwan, a member of the Presidium of the Central Committee of the Democratic Front for the Reunification of the Fatherland [DFRF] of North Korea, who was visiting Beijing at that time. The newspaper carried identically sized photographs of Premier Li's meeting with President Kim Yong-sam in Seoul and of President Jiang meeting with Chong Tu-hwan. RENMIN RIBAO reported on both President Jiang's and Premier Li's meeting with leaders from South and North Korea on the same day, giving these two events an "equidistant treatment." Was there any reason for RENMIN RIBAO to give the same treatment to an event concerning the president of a country and another event regarding a leader of North Korea's "vanguard organization whose function is to carry out operations against the South"?

It was possible for the newspaper to maintain the so-called PRC-style "equidistance." However, it was impossible for a broadcasting station to do the same. On the night of 31 September and on the morning of 1 November, the Chinese Central Television Broadcasting

Station, the official broadcasting station of the PRC, treated Jiang's meeting with Chong as the most important news item, and Li's talk with President Kim Yong-sam as the second most important. Of course, because of its nature as one of the PRC's official media organizations, the TV station is supposed to report on Jiang's activities before those of Li.

This notwithstanding, in view of such things, we can say that because all of Jiang's activities are not reported, RENMIN RIBAO's particularly lengthy coverage of Jiang's meeting with Chong that day was based upon that newspaper's "sense of balance." It seems RENMIN RIBAO, the official newspaper of the CPC, is naturally aware of the PRC leaders' equidistant diplomacy toward South and North Korea.

In this regard, the ROK Government should clearly understand that such a PRC-style "sense of balance"—"equidistant diplomacy"—is nothing but the PRC's "double-mindedness" aimed at playing games with both South and North Korea simultaneously. Those who should protect our citizens' pride are government officials working on the front line. Now is the time to raise our voices of protest against the PRC's attitude.

Envoy to PRC on LWR Construction Memorandum

SK0611015594 Seoul CHOSON ILBO in Korean 6 Nov 94 p 2

[Report by correspondent Hong Sok-chun]

[FBIS Translated Text] On 5 November, Hwang Pyong-tae, South Korea's ambassador to the PRC, made public that Seoul and Beijing would conclude a protocol on the safety agreement regarding atomic energy as well as a memorandum of understanding so an advance survey team could be dispatched to the PRC on or around 23 November to make preparations for building two ROK-style light-water reactors [LWR].

That day, he participated in a seminar—entitled "A Change in the Policy of the Four Major Powers Toward the Korean Peninsula Following the Settlement of an Agreement Between the United States and the North, and the ROK's Strategy To Deal With This"—held at the Institute of Foreign Affairs and National Security in Yangchae- tong, Seoul. Emerging from the seminar, Ambassador Hwang met with reporters, where he said: "Originally, these agreements had been scheduled to be concluded during PRC Premier Li Peng's visit to the ROK. However, because relevant PRC officials did not show, the conclusion of those documents has been delayed. Working-level officials of the Korea Electric Power Corporation and the Korea Atomic Research Institute will visit Beijing sooner or later. The fact that ROK-style light-water reactors will be built in the PRC will apply great pressure to North Korea, which rejects ROK-style light-water reactors."

Increasing Economic Cooperation With PRC Viewed

SK0711003294 Seoul THE KOREA TIMES in English 7 Nov 94 p 8

[FBIS Transcribed Text] Chinese Prime Minister Li Peng's Seoul trip last week has built a fresh solid foundation that will allow the two countries to speed up economic cooperation.

Now, Korea's big enterprises are expected to invest in the large basic facilities and key industrial projects that China wants them to. So far, small and medium-sized manufacturers have mainly advanced to China, in a very cautious manner.

Although Li's visit was in return for President Kim Yong-sam's trip to China last year, Li seems to have focused on economic matters rather than political ones as Korea has emerged as a major Chinese economic partner in the post-Cold War era.

During Li's five-day stay, Korea and China signed agreements on development of medium-sized aircraft, atomic energy and aviation which will bring the two sides together in concrete projects.

The medium-sized aircraft development is one of four major projects which the two governments agreed to jointly undertake at a summit when President Kim visited China last year. The three other projects involve high definition TV development, introduction of Korean automatic telephone switching systems in China and joint venture manufacturing of cars.

This time, the two governments decided on ways to select the technology sources for the aircraft, the equity ratio of the joint venture and the timetable for the project.

The agreement on cooperation for atomic energy is also meaningful in that it has paved the way for Korean firms to advance to the construction of Chinese atomic power plants, the core of the social overhead capital expansion being pushed as a state project by the Being government.

China plans to construct a whole series of nuclear power plants capable of producing 15-20 million kilowatts a year by the year 2010. At present, 30 power plants are under construction.

Li and his economic delegation looked around the industrial facilities of leading business groups—the electronics plants of Samsung and Lucky-Goldstar, an auto plant of Hyundai's and a heavy machinery plant of Daewoo's which are actively advancing to China. Li heard about current investments by the top managers of the groups and was recommended to ease a variety of regulations hindering their business activities there.

Despite the general assessment that Li's visit has substantially enhanced the current cooperation formula, it was confirmed that there remain basic differences between the two countries.

As an example, Li and the Chinese delegation complained a lot about Korea's investment attitude toward China in formal and informal meetings, noting that Korea's investment in China is still small compared to the bilateral trade volume and Korea's economic capability.

At a dinner with chiefs of four economic organizations on Oct. 1 [as published], Li said, "China hopes Korea will invest to an extent commensurate with its economic capability and expand investment in such basic industries as energy and electronics."

But he said that the investment has to be made through competition under the same conditions as those given to other nations.

In other words, Li did not offer a single attraction to Korean companies, businessmen complained. They are of the opinion that Korean firms have not participated in a single project in a core industrial sector unlike foreign investors.

For example, Korean firms have not been allowed to participate in the modernization project for large city or inter-city telecommunications networks with high added value despite a bilateral commitment to closely cooperate in the field.

The projected advance by Korean automakers into the assembly business in China is also at a standstill as China has banned local sales of joint venture cars. Joint venture home appliance makers are also obligated to sell the lion's share of their products in third countries despite the presence of a huge potential local market.

The prime goal of Korean manufacturing firms hoping to advance to China is to sell their produces in the Chinese local market with more than 10 billion consumers. Prime Minister Li did not give a definite answer to Korean enterprises seeking the opening of the Chinese local market for their joint venture firms, an observer said.

But, "it is important for a high-ranking official responsible for the Chinese economy to look around industrial facilities at first hand and to seek Korea is a reliable economic partner," he said, adding that Li is expected to take a more progressive attitude toward Korean companies based on his on-site experience.

Seoul, Tokyo Agree To Conduct Military Exchanges

SK0611031794 Seoul SEOUL SINMUN in Korean 6 Nov 94 p 1

[Report by correspondent Pak Chae-pom]

[FBIS Translated Text] It has been learned that for the first time in our history, the ROK and Japan have agreed to conduct military exchanges in earnest, establishing direct telephone lines between the two countries' military units and holding regular meetings of high-ranking military working-level officers.

It is construed that such military exchanges between the ROK and Japan will be conducted as part of the measures to deal with the changing situation on the Korean peninsula following the settlement of the nuclear issue between the North and the United States, and that those exchanges will play a major role in maintaining peace in Northeast Asia.

On 5 November, a government official well versed in security and foreign affairs disclosed that the ROK and Japan would hold a conference of working-level military officers on 9 November, the first meeting of its kind in our history, to explore the possibility of multifaceted military cooperation.

In particular, the upcoming working-level conference will be a follow-up to implement the "Agreement on the Prevention of Accidental Clashes in the Air" concluded between the two countries last April. It was learned the two countries will reach a final agreement on establishing direct telephone links between Osan Air Base and a similar base in Osaka, Japan.

In terms of exchanges, the ROK and Japan have so far maintained basic exchanges of small numbers of field grade officers to allow them to study in each other country's military schools. It has been learned that last April, for the first time in our history, Minister of National Defense Yi Pyong-tae visited Japan and held talks with Japanese officials, including Kazuo Aichi, director general of the Japan Defense Agency. The defense ministers reached an agreement that the two countries would conduct military exchanges in earnest.

At that time, the defense ministers of the ROK and Japan concluded an agreement on notifying each other of plans to conduct air exercises to prevent accidental clashes of military aircraft of the two countries, and also agreed to allow a cruiser of the ROK Naval Academy to stop over at a Japanese port at the end of this year.

More on Planned Cheju-Embassy Communication Line

SK0511001994 Seoul THE KOREA HERALD in English 5 Nov 94 p 3

[FBIS Transcribed Text] Cheju Island will install an exclusive communication line linking its office of international relations and trade cooperation with the Korean Embassy in Japan this month, a Cheju official said yesterday.

The measure is designed to collect information on the Japanese market situation and trading structure to boost exports of its agricultural, stock and marine products to that country.

The installation of the line was made possible when Cheju Gov. Sin Ku-pom visited Korean Ambassador to Japan Kong No-myong in Tokyo last month and requested his assistance on the matter.

The governor judged that in order to activate the province's economy in light of the Uruguay Round accord, it is important to get a handle on trends in the Japanese market.

Cheju Island will make use of the exclusive line to gather information on markets, the economy and administrative trends there from embassy officials, while linking it with Japanese buyers for furthering exports of its products, the official said.

Seoul Considers Regional Super-Highway Network

SK0611031594 Seoul YONHAP in English 0238 GMT 6 Nov 94

[FBIS Transcribed Text] [no place-name or date as received] (YONHAP-OANA)—South Korea is considering proposing, at the Asia-Pacific Economic Cooperation (APEC) forum summit opening in Indonesia Nov. 15, a regional communications ministers' meeting to discuss cooperation in building an information super-highway network in the region.

A government official said the government is studying plans to offer an APEC communications ministers' conference in Seoul next year at the coming regional summit meeting, noting the increasing need for regional cooperation in building information super-highway networks as a future industry.

President Kim Yong-sam will stress the need for regional cooperation in the information-telecommunications industry before making the proposal, he added, speaking on condition of anonymity.

Under the proposed regional cooperation system, South Korea will not only benefit from technology transfer from the United States and Japan but also help develop the information-telecommunications industry in China and other developing countries in the region.

The official remarked the proposed cooperation system would be of significance to South Korea because it is by no means far behind the United States and Japan in information super-highway technology.

Domestic Exporters Register Profit 'Decrease'

SK0511001494 Seoul THE KOREA TIMES in English 5 Nov 94 p 16

[FBIS Transcribed Text] Domestic exporting manufacturers saw a sharp decrease in both the growth of turnover and profit last year over 1992, while they improved their financial conditions, the Korea Foreign Trade Association (KFTA) has reported.

An analysis of the business performance of 2,053 exporting manufacturers audited by certified public accountants in 1993 showed their output grew 8.4 percent on average, far less than the 14.9 percent gain posted in 1992.

Net income also declined from 0.98 percent to 0.94 percent.

Per capita added value grew 13.2 percent to 26.3 million won on average, a drop of 5.6 percentage points from 1992, per capita output growth decreased from 21.8 percent to 16.1 percent and per capita wage growth also declined from 15.9 percent to 12.7 percent.

Light industrial manufacturers saw a meager 2.1 percent growth, and heavy and chemical manufacturers also posted an 11.6 percent gain compared to a 16.2 percent increase in 1992.

General machinery and auto industries marked above-average growth, while other manufacturers registered a slower growth. Artifacts, personal accessories, toy and doll manufacturers in light industry recorded a net decrease in their output and cement and non- ferrous manufacturers saw a 6.4 percent increase although they enjoyed a 40.4 percent growth in 1992 thanks to prosperity in construction at home and abroad.

The operating income ratio in business remained nearly the same as the previous year's figure at 6.48 percent.

Libya Suspends Payment for ROK Firms Projects

SK0711030594 Seoul YONHAP in English 0230 GMT 7 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 7 (YONHAP)—The Libyan Government, stung by United Nations' economic sanctions, recently informed South Korean construction firms including Daewoo Corp. of its intention to suspend payment for their projects.

Libya has been paying in crude oil for construction and engineering projects carried out by South Korean firms.

Last month, however, the Libyan Government informally notified South Korean companies operating there of its intention to suspend project payments even in crude oil, sources at the Overseas Construction Association of Korea said Monday [7 November].

Libya has been subjected to UN economic sanctions since late last year under which all its trade except crude oil is restricted, and is consequently suffering economic hardship. The Libyan action thus probably stemmed from a desire to control the outflow of crude oil with the aim of purchasing daily necessities.

In light of the United Nations' latest move to ban foreign firms operating in Libya from doing business in third countries in another sanction, a source speculated, Tripoli is apparently trying to induce Seoul into not joining the move.

A Daewoo Corp. official said: "Though we have received most of our project payments in crude oil, it is true that we have recently been having difficulty in the receipt of payment. But the issue being a delicate diplomatic one, I cannot make a disclosure as to whether payments will be suspended."

An official of the Overseas Construction Association of Korea had this to say: "So far Daewoo Corp. is the only firm that has been confirmed to have received the notification about suspended payments. In case the diplomatic issue is not resolved satisfactorily with Libya, however, the number of affected firms will increase."

To help cope with the situation, the Overseas Construction Association of Korea has asked the Foreign Ministry for diplomatic efforts and also solicited the cooperation of the Libyan ambassador in Seoul to resolve the matter.

In the meantime, Hyundai Engineering and Construction Co., which is engaged in phase two of the Ras Lanuf Oil Refinery Project, and Tong-a Construction Industrial Co., conducting phase two of the great man-made river project in Libya, have reportedly had no difficulty receiving payments as they have opened confirmed letters of credit with London banks.

DP Decides To Launch Campaign Against Chun, No

SK0711031294 Seoul YONHAP in English 0244 GMT 7 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 7 (YONHAP)—The main opposition Democratic Party (DP) has decided to launch an extra-parliamentary struggle to demand that the prosecution indict former presidents Chun Tu-hwan and No Tae-u over their alleged involvement in the Dec. 12 "coup d'etat-like" incident in 1979.

The opposition party's decision is sure to drive the ongoing National Assembly regular session into deadlock for the time being while deepening its confrontation with the government and ruling party.

The DP held supreme members' and caucus meetings in succession Monday [7 November] morning at the assembly, where they decided to stage simultaneous rallies at local chapters throughout the country to seek indictment of those involved in masterminding the military incident.

It also decided to publish a special edition of the party paper demanding further judiciary action on the Dec. 12 incident, saying "It is an issue that should be cleared up historically."

Moreover, the party decided to deliver a resolution to President Kim Yong-sam urging him to indict those involved in the incident and to seek direct public support by holding a joint news conference with religious and dissident leaders and other interested parties.

If the DP's efforts fail, the party will call for the impeachment of Justice Minister Kim Tu-hui and Prosecutor General Kim To-eun, a party spokesman said.

DP Chairman Yi Ki-taek insisted that President Kim should rescind the prosecution's stay of indictment for the accused while stressing that his party will carry on even though it is being blamed for stalling the assembly session.

DLP Criticizes DP's Decision

SK0711031594 Seoul YONHAP in English 0247 GMT 7 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 7 (YONHAP)—The ruling Democratic Liberal Party (DLP) on Monday [7 November] slammed the opposition Democratic Party's decision to stage an extra-parliamentary struggle over the Dec. 12 incident and urged it to return to the National Assembly immediately.

DLP Spokesman Rep. Pak Pom-chin said after a party postholders' meeting that suspension of the assembly cannot be justified, insisting that "it is contradictory for the opposition party to demand punishment of those involved in a past issue while calling for reconciliation with North Korean Communists who sacrificed millions of people by provoking the Korean war."

Pak added, "It is unthinkable to have the parliament adrift at a time when major national issues such as the 1995 budget bill and World Trade Organization (WTO) ratification have to be settled." He charged that the opposition party's actions run counter to the people's desire for political maturity.

Assembly Operations 'Uncertain'

SK0511030094 Seoul YONHAP in English 0148 GMT 5 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 5 (YONHAP)—Normal operation of the National Assembly appears uncertain due to the main opposition party's absence from the ongoing interpellation session until midnight Friday [4 November], demanding the prosecution indict former Presidents Chon Tu-hwan and No Tae-u and other masterminds of the Dec. 12 "coup d'etat-like incident."

Interpellation was automatically adjourned as Democratic Party (DP) lawmakers protested the government's response to the prosecution decision on the 1979 military incident amid shouting and clashes with ruling Democratic Liberal Party (DLP) members.

The assembly session was interrupted several times by the opposition uproar over answers given by Prime Minister Yi Yong-tok and Justice Minister Kim Tu-hui.

It remains uncertain whether parliament will start standing committee-level activities scheduled for next week as the DP is demanding the prosecution rescind its decision and President Kim Yong-sam make a resolute decision on the military incident.

Labelling the prosecution's decision to stay indictment of those involved in the military incident as "anti-historic behavior," the opposition party is moving to take stronger action including struggle outside the assembly.

The DP is scheduled to convene a caucus meeting Monday to discuss its future course of action, and party sources said stronger steps will be considered such as a joint news conference with religious leaders and alleged victims of the incident or holding public hearings.

During interpellation, prime minister Yi said that President Kim's assessment of the Dec. 12 incident as "coup d'etat-like mutiny" is designed to correct a distortion of history while the prosecution's decision is a legal evaluation of the facts through investigation.

Yi then stressed that the prosecution was not instructed by the president on the investigation and its settlement.

He added that the prosecution's decision is a stern warning against the recurrence of such unfortunate incidents, regardless of whether those involved received any punishment.

* MND Reforms Personnel Administration Law

952C0007C Seoul SISA JOURNAL in Korean 15 Sep 94 p 34

[By reporter So Song-min]

[FBIS Translated Text] There is a novel provision in the bill of amendment to the Military Personnel Management Law prepared by the Ministry of National Defense [MND]. The article of amendment eliminates the provision that any professional soldier in the active or reserve service who has committed a crime that disqualifies the offender as an officer shall be demoted to the rank of private.

The military gives roughly two reasons for this amendment. The first reason is to do away with the double punishment, namely, criminal punishment by law and demotion by the military. Explains Col. Song Kwang-hyong, who is in charge of legal affairs in the MND: "As a matter of fact, the current provision provides for triple or quintuple punishment, not just double. The offender serves time in prison and gets dismissed from his position, and on top of this, he is humiliated by being demoted to the rank of private. He is even ineligible for a pension. To add insult to injury, he cannot be buried in the National Cemetery when he dies." Under the old law no pension was payable to anyone who falls under this category. But the Law on Annuity for Military Personnel was revised last year, and effective 1 July 1994, the offenders falling under this category became eligible for just one half of a regular pension. Usually, the source of the pension fund comes equally from the national treasury and a monthly deduction from the paychecks of individuals. The amendment to the military annuity law was made on the grounds that at least the portion of the annuity fund contributed by individuals should be paid back to them.

The second reason is to prevent the tendency of officers who are retiring after over 20 years in active service to shun transfer to the reserve list. Explains Col. Pak Sung-mu, a member of the MND Systems Research Commission: "Anyone who has served over 20 years in the military can choose before retiring between retirement and transfer to the reserve list. But in most cases, they avoid transfer to the reserve list because they could be demoted to the rank of private when they are convicted for a traffic accident, for instance. The avoidance of reserve service has caused a shortage in military reserve forces needed in time of emergency.

However, the more important issue is how to guarantee the status of military personnel and sustain their morale. Stressing the reasons for the amendment, Col. Song Kwang-hyon says: "People make much of honor, all the more so in the military community. Demotion to the rank of private might be harder to choose than death. Honor cannot be compared with money, a pension, for instance."

Many officers have been subjected to humiliation under the current system of punishment by demotion to the rank of private. But very few prominent officers are included because only those general officers implicated in political scandals were involved. The first general officer who was demoted to the rank of private was Maj. Gen. Yun Pil-yong (Military Academy eighth graduating class), who was sentenced to 15 years' imprisonment in 1973 on charges of embezzlement and abuse of power. Along with Yun, Brig. Gen. Son Yong-kil (Military Academy 11th graduating class), then chief of staff of the Capital Garrison Command, and Brig. Gen. Kim Song-pae (sixth graduating class of the old Military Academy), dean of cadet affairs of the Military Academy, were also demoted to the rank of private. About eight general officers, including these three, are said to have been demoted to the rank of private.

The case which remains freshest in our minds is then Army Chief of Staff Gen. Chong Sung-hwa (Military Academy eighth graduating class), who was arrested and sentenced to 10 years' imprisonment by the general court-martial under the Martial Law Command on charges of aiding and abetting rebellion during the 12 December 1979 incident. Gen. Chong was downgraded from the highest officer in the army wearing four stars on his shoulders to a private with the insignia of a single bar. He recalls his miserable state in those days in these words: "When I was on trial, I did not even know that I might be demoted to the rank of private. But [after the trial was over], I felt, in short, that I was deprived of everything."

Most of the general officers who were demoted to the rank of private, including those cited above, and most of the demoted professional soldiers have restored their original ranks by now. The Military Service Law adopted in December 1988 has a stipulation providing for "recovery of lost ranks." Those who were demoted applied for, and were granted, the restoration of their original ranks under this new law. Commenting on this system, a general-turned-military-critic said: "It was wrong to restore the ranks of even those who were punished for embezzling public money or giving bribes to get a promotion." He added: "Nothing is wrong when those who are found guilty of offenses that disqualify them as officers become privates. No matter how despotic the past military regimes were, they did not punish officers by demotion without cause." Thus he expressed opposition to abolishing the existing system of reducing the ranks of certain offenders to the rank of private.

However, the consensus of opinion is that this demotion system without parallel in the world is too severe for the military which values ranks and honors more than anyone else.

Prosecution Decides To Question Tong-a Chairman

SK0511045194 Seoul YONHAP in English 0439 GMT 5 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 5 (YONHAP)—The Seoul prosecution, investigating the cause of the recent collapse of the Songsu Bridge in Seoul, decided Saturday [5 November] to summon and question Choe Won-suk, chairman of the Tong-a Business Group, early next week.

"As no charges were substantiated against two former Seoul mayors, future investigation would have to be focused on possible unfaithful work by the contractor of the bridge," a prosecution source said.

The bridge was built by Tong-a Construction Co., which was chaired by Choe while work was under way in 1978.

The source said that former Seoul Mayor Yi Won-chong was questioned Thursday and Friday, but no charges could be brought against him as he had done nothing conclusively wrong so far as the bridge collapse was concerned.

"You may assume that the investigation of Yi and another ex- mayor, U Myong-kyu, has thus come to a virtual end," he said.

The source said a preliminary probe showed that Tong-a's Choe pressed for a reduction in the bridge construction period by, for instance, firing a man in charge of making steel trusses for taking "too much time."

"The prosecution suspects that Choe might have known of the flimsy work done in truss-making but, nevertheless, ordered the use of the unsatisfactory trusses as they were," he said.

The prevailing view, however, is that although Choe may be summoned by the prosecution, he won't be placed under arrest even if found responsible for the bridge collapse due to the weight a business tycoon enjoys in the country.

As a prelude to the planned investigation of Choe, the prosecution on Saturday grilled half a dozen field officials involved in the bridge's construction.

7 Arrested for Involvement in Underground Movement

SK0511031494 Seoul YONHAP in English 0211 GMT 5 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 5 (YONHAP)—Seoul Police have rounded up seven people in North Kyongsang Province for running a leftist underground organization, police reported Saturday [5 November].

The seven include Pak Chang-ho, 28, of Pohang, who heads the group called "Toward Socialism," police said, adding that all seven members were charged with violating the National Security Law.

The seven, mostly the "residue" of the outlawed Sanomaeng (South Korean Socialist Workers League), strove to propagate socialist revolutionary thought among students and workers and to manipulate the labor movement, the police report said.

A preliminary investigation showed that the seven met at a restaurant in Chukdo-tong, Pohang on May 5 last year to inaugurate "Toward Socialism" as a first step toward creating a "South Korean Socialist Workers Party" in line with Sanomaeng policy.

Some 562 pieces of evidence were seized from their operation bases including 21 Sanomaeng documents, the text of a North Korean classic called "Flower Peddling Girl" and 375 printed items, the report said.

Besides Pak, group members arrested include Kim Yong-tok, 24, and Sin Yun-chong, 24, both Kyongbuk University graduates, and Yo Eun-hui, 28, a Kyungbuk dropout, who all belonged to Sanomaeng, according to the police report.

Domestic Shipbuilding Firms Set Monthly Record

SK0511030194 Seoul YONHAP in English 0113 GMT 5 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 5 (YONHAP)—The Korean shipbuilding industry is expected to win over 5 million tons of orders worth 5.5 billion dollars by year's end, with orders landed by domestic shipbuilders during the first 10 months exceeding 4.1 million tons, industry sources said Saturday [5 November].

Domestic shipbuilders set a monthly order record of 841,599 tons for 17 vessels in October, bringing total orders to 4,185,683 tons during the January-October period this year, the sources said.

The nation's three largest shipbuilders—Daewoo Heavy Industries Ltd., Samsung Heavy Industries Co. and Hyundai Heavy Industries Co.—alone will likely receive over 1.1 million tons of orders during the remaining two months, putting total orders at well over 5 million tons this year.

Daewoo's orders are expected to reach 1 million tons by year's end, those for Samsung 1.3 million tons, Hanjin Heavy Industries Co. 566,000 tons, Halla Engineering and Heavy Industries Co. 463,000 tons and Hyundai 2 million tons, according to the sources.

Hyundai will emerge as the largest Korean shipbuilding contractor by year-end with contracts amounting to 2 billion dollars, followed by Samsung's 1.3 billion dollars, Daewoo's 1 billion dollars, Hanjin's 600 million dollars and Halla's 435 million dollars, they said.

The combined contracts of other shipbuilders will reach 200 million dollars, bringing the total contract amount to over 5.5 billion dollars this year.

Contracts this year show a 24.6-percent decline in amount and a 47.4-percent fall in tonnage from last year's record of 7.33 billion dollars and 9.5 million tons.

The sources, however, said that the ship orders expected this year is about average considering the fact that the combined shipbuilding capacity of the country's shipyards comes to about 5 million tons per year.

As of the end of October, the country's shipbuilders had 11.73 million tons of orders, good enough for two years' work.

Japanese shipbuilders, meanwhile, landed 8 million tons or 9 billion dollars worth of orders during the first eight months this year, hoping to increase the figures to over 10 million tons and 10 billion dollars by year's end, the sources added.

Government Decides To Reduce Rice Purchases

SK0711021494 Seoul YONHAP in English 0208 GMT 7 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 7 (YONHAP)—The government decided at a cabinet meeting Monday [7 November] to freeze rice purchase prices at last year's levels and reduce purchases from 10 million som (one som is 144 kilograms of unhulled rice) in 1993 to 9.7 million som this fall.

The decision will be referred to the National Assembly during its current sitting for approval.

With the price freeze, the first of its kind since 1983, the government will pay 132,680 won, 126,700 won and 112,760 won for an 80-kg bag of first-class hulled rice, second-class rice and lower- class rice, respectively.

Vice Agriculture, Forestry and Fisheries Minister Yi Sok-chae said the rice purchase plan, if approved by the parliament, would make it unnecessary for the government to prepare a supplementary budget or revise next year's budget.

With the price freeze and reduced purchases, the government can afford to pay from the budget and need not issue grain bonds to raise purchase funds as before.

Moreover, the gap between farmers' selling price on the market and the government's purchase price will narrow, leading rice farmers to become commercially competitive. For this, the government will allow market rice prices to fluctuate more than 10 percent from the harvest-season low to the summer high when rice is in short supply next year. At present, the fluctuation range is set at 7 percent.

In addition, the government is facing the need to reduce subsidies next year when a new World Trade Order comes into force under the Uruguay Round agreement. The government's rice purchase prices amount to state subsidies.

The government must also prepare farmers for the full rice market opening slated for 2005. Allowing farmers to continue to depend on high government purchase prices would kee them from producing rice able to compete with cheap foreign grain.

To help farmers gain price competitiveness, the government must freeze or lower purchase prices and reduce purchases, while encouraging them to slash production costs through scientific farming, Vice Minister Yi said.

When the parliament takes up the government's rice purchase plan for deliberation, however, a fierce battle is expected. The opposition party opposes the plan, a far cry from the demand by the National Agricultural Cooperatives Federation and other farmers' organization for an increase in purchases to at least 11 million som and a minimum 8.1-percent rise in purchase prices.

On the other hand, the government will stick to its guns in pushing through the plan, arguing that farmers must ride the globalization trend in agriculture to ensure their survival in the coming new world trade order.

Burma

Khin Nyunt Receives Kayan New Land Party Leader

BK0411150394 Rangoon Radio Myanmar in Burmese 1330 GMT 4 Nov 94

[FBIS Translated Text] Lieutenant General Khin Nyunt, chairman of the Work Committee for the Development of Border Areas and National Races [WCDBANR] and secretary-1 of the State Law and Order Restoration Council [SLORC], received U Than Soe Naing, leader of the Kayan New Land Party, and his entourage at the Defense Services Guest House on Garden Road in Yangon [Rangoon] at 1630 today.

Lt. Gen. Maung Thint, minister of progress of border areas and national races and development affairs; Colonel Kyaw Win, deputy director of the Directorate of Defense Services Intelligence; Lieutenant Colonel Pe Nyein, director general of the SLORC Office; Lt. Col. Thein Han, director general of the WCDBANR Office; and responsible personnel were present at the meeting.

During the meeting, the participants held talks and coordinated on matters concerning education, health, transportation, and regional development.

Students Want Political Prisoners Freed

BK0511121194 Bangkok THE NATION in English 5 Nov 94 p A3

[FBIS Transcribed Text] The All Burma Students Democratic Front (ABSDF) has called on the Burmese junta to show its sincerity by releasing opposition leader Aung San Suu Kyi and other political prisoners of conscience. It has called on the administration to also hold talks with various ethnic groups in her presence.

In a press statement released on Thursday, on the eve of the sixth anniversary of the ABSDF, the student organization claimed that meetings between the Nobel peace prize winner Suu Kyi and the State Law and Order Restoration Council (Slorc) was a "just a show" in order to reduce the pressure exerted on Slorc by the United Nations.

"If the Burmese leaders were sincere they should not talk to the different groups separately but should hold a meeting which would include all the ethnic groups at the same time. The meeting should be conducted in the presence of Suu Kyi," it said.

"The talks between the leading dissident Suu Kyi and the ruling junta came about in order reduce tension while the UN General Assembly conducts its 49th session," the statement read.

The armed ABSDF was formed to counter the military junta which usurped power in 1988 and refused to recognize the democratic elections in 1990. In the elections, Suu Kyi's National League for Democracy party won.

Together with other Burmese opposition groups, the ABSDF has staged an annual protest to the UN against the junta's military rule and its abuse of human rights.

The organization said that it was prepared to use force against the regime at any time.

The function to mark their sixth birthday circle took place at its headquarters, opposite Ban Mae Sam Lap in Mae Sariang District of Mae Hong Son province.

It was attended by the ABSDF president Naing Aung and more than 100 Burmese students.

Brunei, Malaysia & Singapore

Malaysia

Troops To Remain at Points Along Thai Border

BK0711143294 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 7 Nov 94

[FBIS Translated Text] Deputy Defense Minister Datuk Wan Abu Bakar Wan Mohamed has said that Malaysia will continue to station military personnel at several sensitive areas along the common border with Thailand. This is because the military is required to assist in preventing smuggling activities and stopping illegal immigrants, local residents crossing the border, and those banned from entering Malaysia.

Datuk Wan Abu Bakar said that the Malaysian and Thai authorities are making efforts to settle various exiting problems along the common border. He said that some problems, such as smuggling, are seasonal. He added that it depends on the price of essential goods and that people from both countries are involved in this activity. He said that the immigration of some unknown people is considered a serious security issue given that the friendship village housing former members of the now-defunct Communist Party of Malaya is situated near the border area.

He said this to reporters after receiving a courtesy call from General Watthachai Wutthisiri, supreme commander of the Thai Armed Forces, in Kuala Lumpur today.

Another Al-Arqam Leader Released Unconditionally

BK0811043694 Kuala Lumpur NEW SUNDAY TIMES in English 6 Nov 94 p 6

[FBIS Transcribed Excerpt] Kuala Lumpur, Sat.—One of the two former leaders of the outlawed al-Arqam, Khairel Annuar Ujang, was today given an unconditional release 43 days after he was detained under the Internal Security Act [ISA], Inspector General of Police

Tan Sri Rahim Noor said tonight. He said police had recommended to Home Minister Datuk Sri Dr. Mahathir Mohamed, who is also the prime minister, to release another leader, Hassan Mohtar, who was detained under the ISA on Sept. 17

"We are waiting for his decision," he told reporters after attending the Police Mass Media dinner at the Pan Pacific Hotel here.

On Khairel Annuar, he said the former Sessions Court Judge was free to return to his profession. Khairel Annuar is the seventh former member of the outlawed movement to be released. Last Saturday, al-Arqam leader Ashaari Muhammad and five of his followers were released. However, their movements have been restricted to Selangor and here.

Following the police's success in dealing with the al-Arqam Movement, Rahim said he had received many letters from non-Muslims requesting the police to look into non-Muslim deviationist groups in the country.

"We have identified at least two or three of such movements whose trappings are similar to that of al-Arqam based on the complaints we have received. These sects include those which practise hero worshipping, encourage its members to believe in the rebirth of Jesus Christ, and lead its members away from their families while devoting full time to their movements."

Although he did not identify the movements, Rahim said they were not home-grown although their influence had spread into the country since the mid-1960s and 1970s. At least one of the movements had been banned in Singapore, he said.

Rahim said police would have to conduct the investigations carefully against these non-Muslim deviationist groups without being seen as acting against the interests of the other religions.

"In the case of al-Arqam, we had the National Fatwa [Religious Rulings] Council to determine that its teachings were deviationist. In the case of non-Muslim groups, we will have to consult the appropriate religious authorities."

He added the complaints received by police were from parents of members who had joined these deviationist groups.

Rahim said these groups were linked to Buddhism and Christianity and most of their followers were from the Chinese community. [passage omitted]

Plan To Create UN Economic Council Criticized

BK0811120194 Kuala Lumpur Voice of Malaysia in English 0810 GMT 8 Nov 94

[Station commentary]

[FBIS Transcribed Text] As if criticisms against the United Nations Security Council are not enough, ideas are reported to create an Economic Council in the UN. If such an idea is realized it would only serve to undermine the democratization of the UN, which the Third World is determined to achieve.

There is no merit in establishing a council that could perpetrate the political anachronism of special privileges in the world body. Third World countries are vehemently against such a proposal, for they are fully aware of its consequences by looking at the UN Security Council. With the permanent members of the Security Council having veto powers, it is totally paralyzed in its decisionmaking process to solve political conflicts. The continuing carnage in Bosnia-Herzegovina is clear evidence of how the selfish motive of some members have paralyzed any attempt to help the Bosnians and punish the Serbs.

It is for this reason and many others that any restructuring of the UN should not include an Economic Council whose structure is based on the Security Council. The developing countries realized it would just be an attempt to reinvent the development role of the UN in an interventionist manner. There is every danger that such a council would intervene its rule should there be any so-called social, ecological, demographic, and other threats to global security. This is clearly not desirable, as the system would lend itself to discrimination and abuse just like in the Security Council. If there is any restructuring of the UN it should reflect the interests and aspirations of the developing nations. The creation of an Economic Council is going right in that direction. [sentence as heard]

One should bear in mind that the failure of the UN system is the ineffective functioning of the existing institutions. It will serve no useful purpose to create yet another one which again would be dominated by a few. What is more important is to improve the functioning of the missionaries that already exist. Also the concept of a privileged few holding seats for life in having veto powers does not hold water in an institution that is based on the one nation, one vote principle. The fear of developing nations that the Economic Council would follow the footsteps of the Security Council is therefore highly justified.

What the proponents failed to see is that it would be more realistic for the UN to strengthen existing agencies like the International Monetary Fund and World Bank. At least it is better to improve their efficiency, coordination, and [word indistinct] in the social and economic fields. As it is these two agencies have come under severe criticism for their lack of hindsight in undertaking projects which did more harm than good to the economies of developing countries.

There is no indication whatsoever that an Economic Council would do better except that it would just be another platform for the rich and powerful countries to push through their one-sided policies. Unless it is going to be a body based on equality, there is no point pursuing the ideal for it will only bring disharmony to UN members.

Singapore

PRC President Arrives; Notes Friendly Ties

BK0811113694 Singapore Singapore Broadcasting Corporation in English 1100 GMT 8 Nov 94

[FBIS Transcribed Text] China's President Jiang Zemin has arrived in Singapore on the first stop of his two-week tour of Southeast Asia. It is his first visit to Singapore as China's head of state. In a statement released on his arrival, the Chinese president noted the friendly relations between China and Singapore. He referred to the two countries' cooperation in trade and economic development and the mutual exchanges in scientific, cultural, and other fields. Mr. Jiang said he intends to discuss with Singapore leaders bilateral relations as well as regional and international issues of common concern.

Singapore is China's fifth largest investor, with some $2 billion [Singapore dollars] worth of investments last year.

Cambodia

KR Spokesman Welcomes Rejection of U.S. Depots

BK0811155294 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 8 Nov 94

["Communique" issued by the Provisional Government of National Union and National Salvation Foreign Ministry spokesman on 7 November; place not given]

[FBIS Translated Text] 1. According to reports, the United States has been actively trying to pressure the countries of Southeast Asia into allowing U.S. warships carrying arms stockpiles to anchor in the seas of the countries in the region so that the United States and the villainous Western alliance can continue to fuel the Vietnamese war of aggression in Cambodia and destroy peace and stability in this region.

2. The reports add that the countries and peoples of Southeast Asia who cherish peace, justice, and independence have firmly and vehemently rejected this warlike U.S. plan. This is because they have seen the serious danger posed by the U.S. strategy to continue fuelling the Vietnamese war of aggression to annihilate the Cambodian nation and race and oppose the Cambodian people, who are waging a national salvation war to enable their nation and race to survive in a peaceful, unified, independent, neutral, and nonaligned Cambodia. They have also clearly seen the direct danger this U.S. strategy poses to their own countries and peoples.

3. In the 1950's, 1960's, and 1970's, the countries and peoples of this region had bitter experiences with the presence of U.S. bases in the region. At that time, the United States used its bases in this region to sow immense havoc on the nations and peoples struggling for independence and the right to self-determination. As for Cambodians, they still remember well the immense destruction that the United States sowed on the Cambodian nation and people from 1970 to 1975. The United States staged a coup d'etat on 17 March 1970 that toppled independent, peaceful, neutral, and nonaligned Cambodia. In January 1973, the United States sent all types of aircraft, including B-52's, to bomb Cambodia for 200 consecutive days and nights. The U.S. planes dropped over 500,000 bombs, killing over 100,000 Cambodians. (?The amount of these) U.S. bombs was equal to one-third of the total amount of bombs that Nazi Germany dropped on England during World War II.

4. The Cambodian nation and people, together with the Provisional Government of National Union and National Salvation of Cambodia [PGNUNS], solemnly declare their support for the correct stand of the countries and peoples who cherish peace, justice, and independence in this region. This correct and firm stand constitutes an important contribution to stopping the Vietnamese war of aggression in Cambodia and safeguarding peace, security, and stability in the entire region.

5. The Cambodian nation and people and PGNUNS solemnly declare their resolute opposition to the setting up of military bases in Cambodia by the United States or any villainous alliance, whether on the land or the seas of Cambodia.

7 November 1994
The PGNUNS spokesman

NADK Spokesman Denies Killing of Civilians

BK0811134594 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 8 Nov 94

["Communique" issued by the National Army of Democratic Kampuchea spokesman on 5 November; place not given]

[FBIS Translated Text] 1. The propaganda machines of the communist Vietnamese, villainous Western alliance, and two-headed government have repeatedly made the despicable accusation that the National Army of Democratic Kampuchea [NADK] killed innocent people in Battambang Province. The NADK vehemently rejects this abject and barbarous accusation.

2. The members of the NADK are the offspring of the people—they are born of the people; live and grow up together with the people; and join with the people heart and soul in waging the guerrilla and people's war to defend the people's land, farms, and villages. The NADK has never taken so much as a chili or an eggplant

from the people. The members of the NADK have lofty ethics. They are the complete opposite of the communist Vietnamese and U.S. puppet troops—mercenaries who do not hesitate to slit people's throats, disembowel them, and rob and kill entire villages. All of this has been seen and is well known to the entire Cambodian nation and people and various observers.

3. In fact, the puppet troops are the ones who have massacred the Cambodian people for the past 15 years. They recently launched land and sea operations against the northern part of Battambang. Moreover, they have made this accusation to justify their warlike policy of launching operations to kill the Cambodian nation and people and Democratic Kampuchea during the coming 17th dry season and thereafter. It is a part of the psychological warfare they have been conducting to deceive the national and international communities and cover up the fact that the United States, France, and Australia are deeply involved in helping the communist Vietnamese intensify the scale of their war to kill the people and exterminate the Cambodian race.

4. Through their successive struggles, the Cambodian nation and people and the NADK are well aware of the psychological warfare of these old and new enemies. To protect themselves and save the Cambodian nation and race, the Cambodian nation and people and the NADK will continue to carry on all forms of joint struggle to smash the warlike plan of the communist Vietnamese, the villainous alliance, and the traitorous two-headed elements—including their political and military war, pacification, and all forms of psychological warfare—during the coming dry season and thereafter.

5 November 1994
The NADK spokesman

KR Conscript Labor in Preparation for Battles

BK0811051794 Hong Kong AFP in English 0309 GMT 8 Nov 94

[FBIS Transcribed Text] PHNOM PENH, Nov 8 (AFP)—Khmer Rouge [KR] guerrillas are abducting villagers and forcing them to build roads to transport materiel for an expected surge in fighting in northern Cambodia, officials said Tuesday.

Deputy Chief of Staff Nhiek Bunchay and Siem Reap police chief Chea Sophap told AFP that more than 200 villagers had been taken from their homes in recent weeks and forced to build roads and carrying materiel for guerrillas. They were responding to a report in THE CAMBODIA TIMES Tuesday, quoting Siem Reap provincial officials, that more than 400 people had been abducted to work for the Khmer Rouge ahead of an anticipated dry season offensive.

Chea Sophap, who said villagers were being used "as slaves," added that he expected the Khmer Rouge to attack Chi Kreng district of Siem Reap province within the next two days.

"I just received information today that the Khmer Rouge have brought 10 tractors of ammunition for DK-82 mortars and many propelled grenades and AK-47 ammunition to the commune of Kok Thlok of Chi Kreng district," Chea Sophap said.

Nhiek Bunchay said the government had sent fresh troops into the area, although his information was that only one tractor of ammunition had been sent in.

The police chief stressed that increased guerrilla activity should not affect tourism at the Angkor temple site in Siem Reap province, which was at least 70 kilometers (45 miles) away.

General Ung Oeurn, military operations commander for the province, told The Cambodia Daily that the 80-kilometer (50-mile) road under construction between Anlong Veng and Varin would speed up deliveries of ammunition and other materiel to the guerrillas.

"There are no government troops in the north," the general was quoted as saying. "They have given up protecting the area because it is hard to reach and thick forests blanket the region."

Khmer Rouge Penchant for 'Pillaging' Assailed

BK0811133494 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 7 Nov 94

[Commentary: "Has it Become Clear Now?"]

[FBIS Translated Text] During the past few weeks, people throughout the country and around the world have more clearly learned the true nature of the Khmer Rouge, that is, their penchant for slaughtering and pillaging people in remote areas and killing foreign tourists as part of their genocidal policy unacceptable to the majority of people here and abroad. This has enabled observers to understand why the Cambodian people have rejected the Khmer Rouge from the national community and why the National Assembly has outlawed them.

In general, every Cambodian wants national reunification. In fact, this national reunification process should have been finalized when Cambodian leaders of all factions signed the Paris agreement in October 1991. It was regrettable that the Party of Democratic Kampuchea walked out on this agreement after creating all kinds of trouble for UNAMIC [UN Advance Mission in Cambodia] and UNTAC [UN Transitional Authority in Cambodia]. While nurturing an undying ambition to seize power through arms and being deeply rooted in its genocidal policy of massacring people, the Khmer Rouge offered unreasonable and unacceptable excuses to maintain their political and military structures and completely dumped any possibility of bringing about the national reunification initiated by His Majesty the King and unconditionally supported by the Royal Government.

Local and foreign observers have noted that for the sake of power and so that they can continue to massacre people and destroy the nation, the Khmer Rouge have readily accepted their outlaw status rather than agree to national reunification and reconciliation.

Whatever the Khmer Rouge have done since they took power in April 1975 is entirely useless to the nation. Moreover, it has caused total destruction to the country and untold agony to the Cambodian race. What is more painful to everyone is that a handful of Cambodian personalities remains blind to the Khmer Rouge crimes against the nation and continues to support them.

Our citizens who, without exception, count at least one relative among those murdered by the Khmer Rouge wonder: If these persons were true Cambodians they would have surely realized that Cambodians throughout the country do not want the Khmer Rouge because they know the Khmer Rouge all too well. In reality, the Cambodian people want national reunification, but they do not want to see the Khmer Rouge given any power. If these persons were true Cambodians they would also realize that the Khmer Rouge must never be given any say in government. They would clearly see that in their activities over the past two decades the Khmer Rouge have done nothing useful for the nation. Even if we overlook what they did in the past, when and after other Cambodian factions agreed to reconcile for the sake of national reunification, peace, and national development, the Khmer Rouge still accomplished nothing. Do the killings, the sabotage of the final negotiations at Chhanghsu-on in Korea and at Damnak Chan in Phnom Penh, and the subsequent massacres by the Khmer Rouge deserve to be described as efforts toward national reunification? Not at all. To get a clear answer, one must ask people in Kompong Trach and Chumkiri of Kampot Province; in Tang Kroch, (Sambo Meas), and (Ta Hen) of Samraong Tong District, Kompong Speu Province; in Bavel of Battambang Province; and in all other rural areas throughout the country whether they want to see the Khmer Rouge return to power.

Outgoing Minister Criticizes Corrupt Officials

BK0811104794 Hong Kong AFP in English 1031 GMT 8 Nov 94

[FBIS Transcribed Text] Phnom Penh, Nov 8 (AFP)—Outgoing Foreign Minister Prince Norodom Sirivut lashed out Tuesday at corrupt high-ranking military officials and former communists for bypassing his ministry and undermining his authority.

Speaking to reporters after a ceremony where he handed the seal of office to incoming Foreign Minister Ing Huot, Prince Sirivut complained that corrupt elements in the upper echelons of the armed forces prevented him from implementing a policy to protect Cambodia's national integrity.

"If your marine officers provide illegal licences to Thais to fish in our country, how can the poor foreign minister react to this? They are supposed to protect the national interest but at the same time they make business with Thai fishermen, they play a double game," he said, adding that the military was also involved in smuggling and illegal logging.

Another major reason for his resignation was a lack of respect for the authority of his ministry, said the prince, who remains a parliament member and general secretary of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative] party.

Prince Sirivut said many members of the former communist Cambodian People's Party "still support the old style in the communist and socialist form and just ignore the foreign ministry."

Prince Sirivut resigned after his friend and close confidant, the outspoken Finance Minister Sam Rangsi, was sacked in a recent cabinet reshuffle.

Asked about reports that he had made the move for "health reasons", the prince replied: "Yes, I resigned for health reasons, but if you ask me what my sickness is, that is another story."

He also said, "I would like to show that in this country there are some people who stand up for principals."

First Prime Minister Prince Norodom Ranariddh presided over Tuesday's ceremony and gave a long speech outlining the government's foreign policy and other priorities.

Prince Sirivut said he was pleased that Prince Ranariddh had spoken of the importance of national reconciliation between the tripartite coalition government and the outlawed Khmer Rouge.

"He said we must promote national reconciliation with four (factions)," the prince said, adding that, contrary to allegations sparked by his criticism of the current administration, he did not support the radical Khmer Rouge.

"Corruption is like a weapon to give the Khmer Rouge. I fight the Khmer Rouge through fighting corruption along with my friend Sam Rangsi," he said. "Please don't let there be any misunderstanding that we are pro-Khmer Rouge. If you don't fight corruption in this government, you cannot fight the Khmer Rouge."

Ranariddh Says Sihanouk 'Could Return' in Jan

BK0811121194 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 8 Nov 94

[FBIS Translated Text] First Prime Minister Prince Krompreah Norodom Ranariddh said on 7 November that His Majesty King Norodom Sihanouk Varaman could return to the motherland in January. He added that his majesty needs three more months to complete his treatment for cancer and other ailments in Beijing.

The prince told reporters at a meeting organized by the Cambodian Institute for Cooperation and Peace that once his Chinese doctors certify that he is normal and healthy to travel, his majesty—who celebrated his 73d birthday on 31 October 1994—and his wife will first visit the DPRK and then return to Phnom Penh.

Government Spokesman Reports on Cabinet Meeting

BK0511140594 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 5 Nov 94

["Press communique of the Office of the Government Spokesman"; dated 5 November—read by announcer]

[FBIS Translated Text] At 0830 on the morning of 4 November 1994 a plenary session of the Cabinet was held under the chairmanship of Prince Krompreah Norodom Ranariddh, first prime minister; and Samdech Hun Sen, second prime minister of the Royal Government of Cambodia, to examine and prepare:

I. The draft law on the press

II. To listen and discuss the report by the government delegate to Phnom Penh city.

After listening to the report and the debate, the Cabinet has decided the following:

I. The draft law on the press: The press law's objective is to set a limit on the freedom of the press and the freedom to publish as stated in Articles 41 and 31 of the Kingdom of Cambodia's Constitution. The Cabinet abolished and added some new points to the draft press law that was adopted by the Cabinet on 10 February 1994:

1. Abrogate all articles that require owners of printing press and bookshops to get permission first from the Information Ministry before starting business.

2. Add provisions and articles concerning the legal punishments, which are similar to those stated in UNTAC [UN Transitional Authority in Cambodia] laws. Reporters who write and disseminate news and pictures affecting people's honor and dignity; defame, slander, and insult individuals; instigate unrest; and affect national security, public order, and national defense, violating the king's body [words indistinct], public authorities [words indistinct], Articles 10, 11, 12, 13, and 14.

Add a restriction prohibiting any individual from owning more than (?two) newpapers in the Cambodian language.

Add a restriction prohibiting a foreigner from owning more than 20 percent of the total share of a newspaper in Cambodian.

3. Retain the provisions preserving press freedom without censorship prior to publication. The code of conduct of reporters requires that all journalists, including news gatherers, (?dispatchers), disseminators, and commentators, abide by this code, which includes respect for the (?truth) and public's [words indistinct]. Only truthful news should be disseminated. Commentaries and criticism should be made correctly and in accordance with the principle of justice. Reports should be filed based only on primary sources. Major news items should not be omitted or documents falsified. Just and decent methods should be used to gather news, photographs, and various documents. Corrections should be made to published news that was incorrect or dangerous. News that causes danger resulting from racial discrimination; discrimination against color, language, religion, political opinion and others views; (?birth) or social discrimination; and discrimination based on wealth, nationality, social status, class, or [words indistinct] should not be disseminated.

Plagiarism should not be practiced. Slandering, defamation, and groundless accusations should not be made. Bribes should not be taken; nor should extortion be made in exchange for the publication or nonpublication of a news item. Indecent articles or pictures, or those showing violence, should not be printed.

The meeting also agreed on the punishment to be meted out to reporters accepting bribes to praise or put down an individual or institution regardless of the truth, and to those who write articles to extort money.

The draft press law will be submitted to the National Assembly for adoption soon.

II. The report by the government delegate to Phnom Penh city: The meeting agreed with and highly praised the efforts of Phnom Penh City over the past year. The Royal Government has also set the following major objectives for the future:

1. Gradually solve the problem of anarchic structures in Phnom Penh City by calling on the city to strive to first resolve the problem at three places: in the Russian Embassy area, the Building area, and the area in front of the Chamka Mon state palace.

2. Set up a new urban development zone giving priority to two areas—Bak Kheng and Boeng Snao—and take into consideration private investment projects to set up this zone.

The Cabinet closed its session at 1300 in a spirit of agreement and high responsibility.

Phnom Penh, 5 November 1994

Two Newspapers Face Action for Insulting Leaders

BK0811122194 Hong Kong AFP in English 1142 GMT 8 Nov 94

[FBIS Transcribed Text] Phnom Penh, Nov 8 (AFP)—The Cambodian government will seize one newspaper and suspend another for insulting Co-Prime Ministers

Prince Norodom Ranariddh and Hun Sen, the Ministry of Information announced Tuesday.

Deputy Information Minister Khieu Kanharith told AFP the government would suspend Uddom Kate Khmer (Khmer Consensus) and take its editor to court because the paper called the co-premiers "dogs."

He said the information ministry would seize Samleng Reas Khmer (The Voice of the Khmer people) because it was operating without a licence and had referred to Prince Ranariddh as "prince of evil groups" and to Hun Sen as a "rat". The actions are to take effect Thursday.

"It is not on political grounds," Khieu Kanharith said, but only because the newspapers used insulting terms. The owner of the Samleng Reas Khmer printing house would be taken to court, he said.

Paper Reports Assistance From Japan, Belgium

BK0511112594 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 5 Nov 94 p 4

[FBIS Summary] Yukio Imagawa, Japanese ambassador to Cambodia, told Agriculture Minister Tav Senghuo at a meeting on 2 November that "during the past few years, the state of the agriculture sector in Cambodia has been at a very low level. Japan will continue to provide assistance to improve this. This will help raise the living standards of Cambodian peasants, particularly those in rural areas."

This year Japan plans to provide 7,000 tons of chemical fertilizers for sale to farmers in the coming rainy season. Furthermore, Japan has pledged to provide assistance to the forestry service in Kirirom and Bok Kou; build an oceanographic institute in Sihanoukville, a fresh water research center at Chrang Chamres, and a fishing port in Sihanoukville; and repair the Toek Thla and Kompong Tuol dikes. All these projects have already been agreed by Japan and only await the signing ceremony before being implemented soon.

Belgium has provided 2.8 million dollars [currency not further specified] for replanting the forest around the Tonle Sap Lake, which has been victim of fire wood cutting and clearing for farmland. An official of the Agriculture Ministry says that in 1992 the Aquatic Product Department cooperated with Siem Reap Province to replant 305 hectares of inundated forest in the Tonle Sap area. However, due to lack of funds, this effort has stopped. In the meantime rampant clearing has reached such a scale that it cannot be controlled despite efforts by the Agriculture Ministry.

Indonesia

Editorial Previews Issues Facing APEC Summit

BK0411140094 Jakarta REPUBLIKA in Indonesian 4 Nov 94 p 6

[Editorial: "Welcoming the APEC Summit Meeting"]

[FBIS Translated Text] In a short time we will be hosting an APEC [Asia-Pacific Economic Cooperation] meeting, a gathering of leaders from the Asia-Pacific nations. Preparations for the meeting are underway and are progressing steadily. This will be an important meeting. Some of the leaders of the Asia-Pacific countries that will be in attendance favor the APEC concept, but the APEC concept is still unclear to certain countries. Some wonder where APEC is heading. There is concern that the APEC concept will lead to an exclusive economic bloc that is only beneficial to the powerful countries.

Such objection makes sense. Some existing international trade blocs have turned into exclusive trading blocks. Small and weak countries are losing out while big and powerful countries are reaping the benefits. This phenomenon has raised doubts as to whether APEC will follow such a pattern.

Another source of doubt is the disparity among APEC member countries. In terms of income, the United States, Japan, and New Zealand are rich countries. Their per capita incomes far exceed those of Indonesia, Malaysia, and Thailand. Their cultures and sociopolitical systems are also different. It is feared that these gaps will cause difficulties for the APEC members in adjusting their vision to the role of each member country.

Perhaps these differing conditions will make APEC more meaningful. APEC is essentially an informal forum for consultation among its member countries. Hence there are opportunities in this forum for open discussions on problems in Asia-Pacific regional trade.

In this context, there is hope that open regional cooperation can be developed along with beneficial relationships between APEC and other subregional groups (ASEAN, NAFTA).

In this context, it is also hoped that APEC will not be undermined by powerful countries trying to impose their concepts regarding labor, human rights, and the environment. These issues should not be abused for mere business or commercial interests. This problem must be keenly examined or else it could turn into an obstacle for the developing countries in benefiting from a future APEC open market.

For Indonesia, the APEC forum, with the diverse condition of its members, is a good opportunity to bring momentum to South-South (nonaligned countries) and North-South cooperation. At the same time, Indonesia must strive for unity and cooperation among the ASEAN countries so they will not be completely immersed in APEC.

Of no less importance to Indonesia is that APEC membership will strengthen its domestic trade structure. Within APEC, Indonesia must continuously improve itself in order to avoid being subjected to the wishes of the developed countries because of our great market potential but low productivity.

Editorial Views GATT Ratification, WTO Chief

BK0711101794 Jakarta SUARA PEMBARUAN in Indonesian 1 Nov 94 p 2

[Editorial: "The Ratification of the GATT"]

[FBIS Translated Text] The Uruguay Round of multilateral trade on the GATT officially ended in Marrakech several months ago. However, not all the issues related to the GATT or the World Trade Organization [WTO], as it is currently known, have been settled.

There are at least two major issues pending at the WTO Headquarters in Geneva, Switzerland. First, the ratification of all points of the final Uruguay Round of multilateral trade on the GATT signed in Marrakech. Second, the election of a number one person who will lead the WTO.

Officials at the GATT Headquarters have noted that only thirty GATT member nations have officially ratified the GATT and dozens of other nations have yet to ratify the world trade system. According to GATT Director General Peter Sutherland, many more nations have yet to ratify the final Uruguay Round because these nations are generally awaiting what big nations such the United States, Japan, Canada, and the EU will do prior to the ratification of the multilateral trade agreement.

It seems that the issue of the ratification is not as easy as it was earlier expected to be, although the GATT Headquarters in Geneva set 8 December as the final deadline for the ratification. Of course, each nation has its own reasons, be they regional or national factors or other domestic considerations, for delaying the ratification.

The United States itself has yet to ratify the Marrakech agreement because, for example, certain domestic circles want the United States to delay the ratification of the GATT. The EU, for its part, also wants a similar delay beyond the deadline due to a change in the EU's highest leadership.

The other complicated issue facing the GATT concerns who will lead the WTO as an international trade monitoring organization. This issue has more or less directly affected the first issue because the issue of ratification will also certainly involve high- scale global trade diplomacy. Indeed, the WTO director general should ideally be elected in 1994 because the WTO will officially replace the GATT on 1 January 1995.

There are at least three candidates for the post of the WTO director general. They are Carlos Salinas from Mexico, Renato Ruggiearo from Italy, and finally South Korean Trade and Industry Minister Kim Chol-su. Each of the three candidates has a different edge. Ruggiero will apparently be sympathetic toward the EU; Salinas will of course be friendly toward the United States in his trade diplomacy; while Kim Chol-su will be supportive of Japan.

World trade in the years to come will be marked by considerable regionalism and protectionism as nations seek to protect their respective economies. Economic frictions such as the recent one between the United States and Japan will scarcely lead to trade collusion. It seems that the so-called trade compromise will be more difficult to achieve. In addition, there will be various deviations from the points embodied in the GATT. These will become the scope of the WTO's future tasks.

We are of the opinion that whoever leads the WTO must be a person highly committed to the world trade liberalization process. In addition, he must of course have an intellectual background as well as a high degree of diplomatic skill.

Armed Forces To 'Protect' Territorial Waters

BK0811085494 Jakarta ANTARA in Indonesian 0406 GMT 8 Nov 94

[FBIS Translated Text] Ambon, 8 November (ANTARA)—General Feisal Tanjung, commander of the Armed Forces of the Republic of Indonesia [ABRI], has said that ABRI is ready to face and anticipate various threats that may arise from expanding Indonesia's territorial waters.

ABRI is ready to maintain and protect Indonesia's territorial waters, he told ANTARA during a dinner banquet hosted by Maluku Governor Drs. [academic title] M. Akib Latukonsina in Ambon on Monday evening. In accordance with the UN Convention on the Law of the Sea, [words indistinct] the fruit of Indonesia's 37-year struggle. The convention was ratified by 60 nations. [passage indistinct]

"In principle, the ABRI is ready to do its best to maintain, protect, and patrol the territorial waters of the Republic of Indonesia," the Armed Forces commander said. Both the Navy and Air Force will be mobilized to patrol and protect the waters. He added that international cooperation in various fields will be enhanced on the basis of respect for national Constitutions, particularly provisions on territorial boundaries.

Answering questions on the ideal size of the Navy to patrol the vast territorial waters, the Armed Forces commander said the size will be based on the scope of threats that may occur in the waters.

"Of course, we will first evaluate possible challenges and subsequently prepare a monitoring pattern commensurate to such challenges and obstacles," the Armed Forces commander said. He, however, said more sophisticated monitoring facilities and infrastructure will be needed if there are greater challenges and obstacles.

The Armed Forces commander said the issue of territorial boundaries among Indonesia, Malaysia, and the Philippines will be settled through international negotiations.

We hope for a settlement. "We want the issue to be settled in the ASEAN spirit of togetherness," Gen. Feisal Tanjung concluded.

Cabinet Cites Higher Inflation, Trade Surplus

BK0811051394 Jakarta THE INDONESIA TIMES in English 3 Nov 94 p 1

[FBIS Transcribed Excerpt] Jakarta—President Suharto here on Wednesday called on ministers overseeing economic affairs to take concrete action in preventing higher inflation rates at home.

The head of state reminded the ministers attending a cabinet meeting of the need to anticipate the possibility of higher inflation rates in the months ahead, citing that the country's inflation rate as 0.89 percent in October.

According to Information Minister Harmoko, last month's inflation rate was higher than the previous month's which only reached 0.53 percent.

Harmoko attributed October's higher rate to an increase in the index of food, goods, and services as well as housing construction.

The meeting also addressed the development of the country's balance of trade. Indonesia gained a surplus of U.S. $840 million since August with exports reaching U.S. $3.568 billion compared with U.S. $2.728 billion worth of imports, Harmoko said.

Harmoko noted that President Suharto, Vice President Try Sutrisno, the concerned ministers, and other high-ranking officials also discussed the supply of cement as one of the major factors affecting the inflation rate.

"The president called on the minister of public works and public housing to take the necessary measures to control cement supplies here," he said. [passage omitted]

* Tax Change Suggested To Attract Investment

95SE0008A Jakarta PELITA in Indonesian 21 Sep 94 p 2

[FBIS Translated Text] Jakarta, PELITA—A proposed rate change in income tax (PPh) is intended to increase the economic competitiveness of Indonesia, to support domestic economic development, and especially to encourage investment. In the present tax law there is a three-tiered system, with rates ranging between 15 and 35 percent. It is proposed to change this to a four-tiered system with rates ranging between 10 and 30 percent. This can be accomplished through the issuance of a government regulation to set the tax rate at 25 percent, at the most. This was stated by Fuad Bawazier, director general of taxes, during a meeting with editors and reports from the mass media in Jakarta on 20 September.

Fuad said: "Indonesia has no strong justification for continuing income taxation at the same level as contained in Law No. 7 of 1991."

Fuad warned that the government and all persons concerned must be realistic. They must understand that those who have high incomes have broad access to foreign countries. For that reason if they continue to be assessed with higher income tax rates, it is feared that they will move to another country to invest their capital.

A further problem is the growing number of workers who should live in Indonesia but who become residents of other countries. In this connection this large number of workers are liable for the payment of taxes under Section 21 of the law on income taxes.

Fuad continued: "The rate of income tax which is assessed is usually fair enough. Some taxes are considered to be unjust because, for example, the tax rate for those whose income is more than 1.0 billion rupiahs annually is the same as for those whose income is several hundred thousand rupiahs. But the taxes which rupiah billionaires must pay are also higher."

Apart from that consideration, those who have high incomes are far more clever and better informed. If the personal tax assessed is higher than the company tax, they may redirect some of their expenditures for personal purposes, such as business expenditures and so forth. This sort of practice will certainly harm the interests of the state.

He added that justice in tax affairs is not exclusively seen from the point of view of tax collection. Another matter which is also decisive and must be considered is how the government should channel and use the income from tax collections.

He added: "Therefore, wherever tax receipts are channeled, for example for IDT [investment] funds, or only to benefit a certain group, taxes must be seen as reflecting the element of justice in the world of taxation."

Fuad also said that, based on his general observations, at present the Indonesian people prefer taxes which are final and no longer negotiable. One example is Government Regulation No. 3 of 1994 concerning the sale and purchase of land. In that case a tax of three percent is charged. It turns out that there are many people who send letters to the Directorate General of Taxes, asking that the tax collected be increased to five percent, but on a final basis.

With a final tax it is felt that the tax obligation is more certain and clear because there will no longer be a conflict over other matters or other charges.

The essential provisions of the draft bill on amendments to tax legislation which Fuad explained on 20 September cover a change in Law No. 6 of 1983, involving general provisions and tax administration; Law No. 7 of 1983, concerning income tax; Law No. 8 of 1983, concerning the value added tax; and Law No. 12 of 1985, concerning taxes on land and buildings.

Fuad also explained the background to the submission of the draft bill on tax legislation. Among other things, the purpose was to take into consideration a number of world business developments which are not covered in existing law. Furthermore, the provisions of tax legislation cannot avoid taking into account the influence of the globalization of the economy.

Fuad added: "Furthermore, increased investments, especially in the developing countries, are becoming more competitive, and there is a need to try to promote the development of a better investment climate, such as by providing facilities and flexibility in the provisions of tax legislation."

In his view another factor which needs to be steadily promoted is the willingness of the people to pay their taxes honestly and in a responsible fashion. For this reason the reasons for taxes and the identity of persons liable to pay them need to be clarified so that people will feel an obligation to pay their taxes as a matter of justice.

Laos

Minister Promises Cooperation in MIA Search

BK0811090194 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 8 Nov 94

[FBIS Translated Text] On the afternoon of 3 November, Lieutenant General Ai Souli-gnaseng, deputy minister of national defense and chief of the General Staff Department of the Lao People's Army [LPA], received a U.S. Defense Department delegation headed by Assistant Secretary of Defense [title as heard] James Wold at the National Defense Ministry reception hall in Vientiane.

The meeting and talks between the guest and the host were held in a cordial atmosphere. The U.S. side called on the LPA to cooperate in searching for American soldiers missing in action during the Indochinese war. Lt. Gen. Ai Souli-gnaseng gave a pledge to the U.S. side that in the interest of good relations between the two countries, the LPA is pleased to cooperate as much as possible in dealing with this issue.

Vice Premier Receives PRC Communication Minister

BK0811102894 Vientiane KPL in English 0929 GMT 8 Nov 94

[FBIS Transcribed Text] Vientiane, November 8 (KPL)-—Khamphoui Keoboualapha, vice prime minister and president of the Committee for Planning and Cooperation, yesterday received at the committee a delegation of the Ministry of Communication of the People's Republic of China, led by its minister, Mr. Huang Zhendong.

The Lao vice-premier expressed his pleasure to see the constant development of the Lao-Chinese traditional relations of friendship and multi-sided cooperation for the benefit of the Lao and Chinese people.

The Chinese delegation arrived here yesterday on a four-day visit to Laos.

Politburo Member, Minister Receive PRC Delegation

BK0711143894 Vientiane KPL in English 0915 GMT 7 Nov 94

[FBIS Transcribed Text] Vientiane, November 7 (KPL)—A delegation of the Chinese "PEOPLE'S DAILY" [RENMIN RIBAO] led by Mr. Bao Yujun, deputy editor-in-chief and senior editor of the newspaper, on November 5 called on Thongsing Thammavong, during its six-day long goodwill visit to Laos. Thongsing Thammavong is a Politburo member of the Lao People's Revolutionary Party Central Committee (LPRP CC) and head of the LPRP CC Organisation Board.

During the warm meeting, the two sides expressed satisfaction over the growing relations between the parties, governments and people of the two nations.

On the same day morning, the Chinese delegation had called on Osakan Thammatheva, minister of information and culture.

The minister of information and culture hailed the visit to Laos by the Chinese delegation and described it the strengthening of the long-standing ties of friendship and cooperation between the people of Laos and China. He also wished the visiting delegation success in their Laos visit.

The delegation of the PEOPLE'S DAILY newspaper of China is scheduled to visit some economic and social development activities, and cultural sites in Vientiane Prefecture, Bolikhamsai, Vientiane, and Luang Prabang Provinces.

Laws on Bankruptcy, Contract Guarantee Promulgated

BK0811103094 Vientiane KPL in English 0928 GMT 8 Nov 94

[FBIS Transcribed Text] Vientiane, November 8 (KPL)-—Two laws on bankruptcy and guarantee of contract execution have been promulgated by President Nouhak Phoumsavan of the Lao People's Democratic Republic who on November 5 signed two decrees on the promulgation of the laws.

The two laws were approved by the National Assembly on October 14, 1994 at its fifth ordinary session.

Philippines

Clinton Visit Seen as 'Coup' for Ramos Government

BK0811011994 Quezon City MALAYA in English 4 Nov 94 pp 1, 3

[FBIS Transcribed Text] New York—President Bill Clinton will stay less than 24 hours in Manila during his official visit on 12 November, but the Philippine Government believes it has already scored some political points which it hopes will translate into longterm economic gains for the country.

Philippine diplomats based in the United States say the fact that Clinton chose to stop over in Manila on his way to the Asia-Pacific Economic Conference in Jakarta is already a "coup" for the Ramos government which is desperately struggling to make the Philippines at par with its more prosperous neighbors.

Why Clinton opted for Manila is still subject to speculation. Washington officials have stated the trip will be more economic than political in nature. The Clinton delegation includes American businessmen who have shied away from Manila in the aftermath of the December 1989 coup against then President Aquino and the pull-out of the U.S. bases in 1991. At least $5 billion worth of projects are expected to be brought in by U.S. firms composed mainly of component manufacturers.

The Philippines, diplomats say, is of course, elated with the stress on economics.

"The belief is that once Clinton expresses support for the Ramos government and the way things are being run, American capital will come in," the diplomats said.

The visit of the American president, the first in the last 20 years (the last U.S. president to visit Manila was Gerald Ford in 1974) is also seen as a signal that the United States is ready to mend bilateral relations fractured by the Philippine Senate's decision to boot out the American bases in 1991.

Although Washington said then that the parting had not been bitter and acrimonious, figures did not bear this out. Aid to the Philippines substantially dropped in the aftermath of the pull-out and was steadily restored only when Ramos assumed the presidency.

The visit is also seen as an opportunity for Clinton to "send a message on the issue of human rights to China and Indonesia," the diplomats said. It is expected that Clinton "will point to the Philippines as a model for development that does not sacrifice human rights," they said.

As a proper visitor, Clinton is not expected to drumbeat the issue of human rights while he is in Indonesia. On the other hand, Indonesian President Suharto is also not one to take any unsolicited advice, especially from a foreigner.

For the Ramos government, the visit is an opportunity "to demonstrate that we have rebuilt democratic institutions and restructured the economy," which are essential to good business.

Diplomats said the Philippines will offer itself as an alternative to other Asian countries where the business climate is uncertain because of political instability.

Government To Hold Peace Talks With MILF

BK0711055494 Quezon City Radio Filipinas in English 0230 GMT 7 Nov 94

[FBIS Transcribed Text] The Philippine Government has decided to hold peace negotiations with the Moro Islamic Liberation Front, MILF. Government negotiator to the Muslim rebels, Congressman Eduardo Ermita says the government has obtained the blessings of the Moro National Liberation Front or MNLF to conduct peace talks with the MILF. Ermita said that peace talks should be conducted on a localized basis or in areas that are highly influenced by the MILF. He revealed that local officials have initially recommended that the localized peace talks with the MILF be held in Cotabato and Basilan in Mindanao.

Communist Chief Interviewed on Peace Talks

BK0711143694 Quezon City MALAYA in English 31 Oct 94 p 5

["Excerpts" of an interview with Jose Maria Sison, chief of the Communist Party of the Philippines, by Ellen Tordesillas of MALAYA, Booma Cruz of THE MANILA CHRONICLE, and Dulce Raymundo of TALIBA in Utrecht, the Netherlands, on 22 September; from an article by Tordesillas: "GRP, NDF will talk and talk"—passages in italics in Tagalog]

[FBIS Transcribed Excerpt] [passage omitted] Q: How do you regard the Ramos government? It is a better government to deal with compared to Aquino's?

Sison: It's not for the side of the NDF [National Democratic Front] or anyone associated with the NDF to make a judgment *about what Ramos is.* The objective fact is *that he is not like Aquino, who was afraid of the military, because he was a part of it. He used to be opposed to the idea of talking to the rebels, but now that he is president he has initiated it.* Don't think he is Santa Claus. *Because their* minimal object is to drum up the rumors of peace or illusions that this could easily come. But they know this is difficult.

Q: If that's how you see it, why are you allowing yourself to be used?

Sison: I'm speaking of their minimal objective. *You know, for its part, the NDF also has a* minimal objective which is at least to expose, oppose or combat and possibly reduce human rights violations. Or there could be a way under the eyes of international law to make the other side responsible for human rights violations.

Q: Has the NDF achieved this minimal objective?

Sison: That's the number one item in the agenda—human rights and international law. You don't achieve it, even if minimal, in just one blow.

Q: Why are you so concerned about E.O. [Executive Order] 125?

Sison: It put into a box the GRP [Government of the Republic of the Philippines] negotiating panel and it presumes to cover the other side in the entire process within the framework of the GRP constitution. The view of the NDF is that, it's a violation of the Hague Declaration; that the framework should be mutually acceptable principles of national sovereignty, democracy, social justice and economic development. *If the NDF will agree to stay* within the GRP framework, *that would be tantamount to surrendering our principle.* That finishes the talks.

Q: Isn't it just natural that the GRP panel should have guidelines?

Sison: *The NDF could have done something similar.*

Q: *Why don't you?*

Sison: *As long as they do not violate the Hague Declaration in a common document. But of course the NDF questions* the GRP panel. *They are attempting to bind our hands with this.*

Q: *So the NDF will acquiesce to* EO 125?

Sison: That's not for me to say that. Let the negotiators of both sides discuss that. I'm just a consultant.

Q: Do you trust Ramos?

Sison: It's not a matter of sincerity or trust of any single person. This is a confrontation or dialogue of two formidable forces, the GRP and NDF.

Q: *If there's no trust, why do you keep on talking?*

Sison: There are the basic facts. There are initiatives that go around the table. You know, when you talk, it's not the only thing happening. As a matter of fact there is no point in talking if the two sides do not perceive their respective strength.

Q: *Do you feel that the ongoing talks have any direction?*

Sison: *The talks are going on.* Keep in mind that by Philippine standard, the NDF cannot be rushed. MNLF [Moro National Liberation Front] and GRP had been talking for 18 years. *With us, the talks have only been going on for eight years.* The NDF cannot be rushed if the root cause of the conflict is not addressed and the basic demands of the people are not responded to.

Exiled Communist Chief's Legitimacy Questioned

BK0811073194 Quezon City MALAYA in English 4 Nov 94 p 4

[Editorial: "Is Sison Worth Talking To?"]

[FBIS Transcribed Text] Late last month when negotiations with the National Democratic Front [NDF] broke down, we poked fun at Jose Maria Sison's delusion that the rebel movement has been gaining political legitimacy, the fact is that its forces in the field have been declining steadily.

The NDF said it would not face the government panel unless it is recognized as a belligerent. It would not accept the status of an insurgent force.

We said then: "Well, that is as clear as it can be. From a high of 25,000 fighters in 1986, the rebel force now counts about 7,000 fighters. This decline in the fortunes of the insurgency has, in the mind of Sison, been accompanied by a dramatic rise in the political stature of the communist movement—from the status of insurgent force to that of a belligerent.

"With this kind of logic, what happens when the remaining rebels in the field dwindle to a few hundreds and are reduced to banditry? Sison will claim victory and declare a People's Democratic Republic of the Philippines?"

It is unbelievable, but what we suggested in sarcasm is apparently what Sison has seriously in mind.

President Ramos has directed the Department of Foreign Affairs to establish the citizenship status of Sison. Have he and Luis Jalandoni acquired Dutch citizenship? The president wanted to know. If they are no longer Filipinos, the thinking at the Palace is that the government negotiating panel should stop talking to them.

Sison's answer? He is a citizen of the "people's democratic state" represented by the NDF. That "state" consists of "the New People's Army, the local organs of political power, the mass organizations, and the broad masses in extensive areas."

The accepted definition of a state is one which has people, territory, government, and sovereignty. Sison, the former UP [University of the Philippines] political science teacher, would not be bothered by such conventions.

Elaborating, Sison said: "I am not a citizen of the big comprador [buyer]-landlord state represented by the Ramos Government. General Ramos must wake up to the fact that there are now two state powers contending in the Philippines."

Two state powers contending in the Philippines? What's this guy talking about? The leftist rebellion is a boil in the republic's ass. A pimple it will become in time.

But going back to Sison, the government should by now seriously re-think the policy of talking to him. Whatever his citizenship, there is a fundamental question that must first be answered.

Is he sane?

NDF Spokesman Questions Ramos' 'Sincerity'

BK0811072594 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 7 Nov 94

[FBIS Translated Text] The National Democratic Front [NDF] this morning challenged the government to show genuine sincerity in its desire to resume peace talks.

In an interview with Bobby Guanzon this morning of radio station DZBB, NDF panel spokesman Luis Jalandoni considers government reports since 1985 and 1986 of his Dutch citizenship unimportant and a nonissue. According to Jalandoni, what is more important, if the Ramos administration really wants to resume peace talks, is to stop its policy of total war carried out by the AFP [Armed Forces of the Philippines] in the countryside. Jalandoni also asks for recognition of the appeals of human rights abuse victims during the Marcos regime.

[Begin recording] [Guanzon] The government still gives priority to resuming peace talks. What is needed so that you will return to the negotiating table, Mr. Jalandoni, sir?

[Jalandoni] First of all, the responsibility of the collapse of the talks rests with the Ramos government because the panel of Mr. Dee—the GRP [Government of the Republic of the Philippines] panel—unilaterally declared the collapse on 14 October. Second, the government's call for resuming talks is contradicted by its act of intensifying a total war and trampling the rights of 10,000 human rights victims. So bringing up the citizenship issue further dims the prospects of resuming talks with the government. Because if they want to declare the Hague joint declaration that I signed along with Congressman Yap and approved by President Ramos, and the Breukelen joint statement that I signed with Mr. Howard Dee and approved by General Ramos, then Ramos becomes inconsistent and pushes the possibility of resuming talks farther away. [sentence as heard] So what is annoying here is that his calls for resuming peace talks are contradicted by his actions and his intensifying of a total war and his disrespect for the rights of 10,000 human rights victims and their due compensation. [end of recording]

That is Luis Jalandoni of NDF in an exclusive interview with Bobby Guanzon of radio DZBB direct from the Netherlands.

Thailand

Government Preparations for APEC Meeting Noted

Liberalization 'No Sooner' Than 2010

BK0811123794 Bangkok Voice of Free Asia in Thai 1030 GMT 8 Nov 94

[FBIS Translated Text] Speaking to reporters after a meeting of agencies concerned to formulate Thailand's stance at the APEC meeting in Indonesia, Deputy Prime Minister Dr Suphachai Phanitchaphak said Thailand is ready for trade liberalization in APEC in 2010. He said a number of senior Thai officials were entrusted to attend meetings to be held in Indonesia prior to the official opening of the APEC ministerial and leaders' meetings and work on the statement on Thailand's stance and issues the prime minister will raise for discussion during the APEC summit meeting and during bilateral meetings with leaders of various countries.

The meeting laid down Thailand's five-point stance as follows:

1. Agreements must be within the GATT framework.
2. Investment liberalization must be in conformity with GATT principles.
3. Thailand will be ready for trade liberalization no sooner than 2010.
4. Thailand will reaffirm at the meeting that the proposal put forth by Indonesia for countries which are ready to start reducing taxes or liberalizing trade is not against the APEC agreement.
5. Thailand will propose the dissolution of the Eminent Persons Group, or EPG, of APEC. However, the useful recommendations and proposals made by the EPG should be retained for further implementation. If the EPG is not disbanded, it should be assigned to act as a coordinator for the three APEC groups, namely the North American Free Trade Area, or NAFTA; the ASEAN Free Trade Area, or AFTA; and the CER [Closer Economic Relations] grouping whose members include New Zealand, Australia, and Papua New Guinea.

Suphachai on Trade Principles

BK0811060394 Bangkok BANGKOK POST in English 8 Nov 94 p 3

[FBIS Transcribed Text] Thailand agrees with the free trade principles of the Asia-Pacific Economic Cooperation (APEC) but the free trade bloc should not impede non-member countries' participation, Deputy Prime Minister Suphachai Phanitchaphak said yesterday. Dr Suphachai noted that the free trade area realisation should proceed according to the General Agreement on Tariffs and Trade (GATT) framework and procedures on voluntary basis. He said different economies are developing at different paces, therefore they need time to abolish certain regulations. Applying similar regulations could cause negative effects for some countries, he added. APEC will focus on investment and trade at its next meeting in Osaka, Japan.

Dr Suphachai said China and Indonesia are more open than Thailand since they allow total shareholdings by foreign investors. He added that Thailand sees the necessity of foreign investment and is amending some of its laws to be in line with the GATT. He warned that Thais should observe the law of any foreign countries they are investing in since the Government may not be able to help if they commit legal offences in their host countries.

Government To Clarify KR Issue

BK0811052794 Bangkok BANGKOK POST in English 8 Nov 94 p 1

[FBIS Transcribed Excerpt] Thailand will use the high-level APEC meetings in Indonesia to again clarify the Government's policy on the Khmer Rouge [KR], Deputy

Foreign Minister Surin Phitsuwan said yesterday. The doubters in Australia "should consider facts and Thailand's dignity," Mr Surin pointed out.

"We want to clarify the matter with them, and I think there might be an opportunity to do so during the APEC meetings next week," he told reporters.

Foreign Minister Thaksin Chinnawat yesterday also reiterated that Thailand has no policy to give sanctuary to the outlawed guerrilla group.

"Our stand is clear. We do not give sanctuary to the Khmer Rouge. We recognise the legitimate government of Cambodia," Mr Thaksin said.

The comments followed remarks attributed to Australian Foreign Minister Gareth Evans to the effect that the Khmer Rouge were still being harboured in Thailand, were allowed free cross-border movement, and were also assisted by individuals through trade contacts.

Mr Evans' remarks reportedly were made in an interview aired on Australian television on Sunday—five days after the Cambodian government confirmed, on November 1, the death of an Australian, a Briton, and a Frenchman, who had been abducted by Khmer Rouge guerrillas in July.

Foreign Ministry spokesman Suwit Simasakun said the Thai Government was "very displeased", and was checking with the Australian embassy in Bangkok to establish whether the Australian minister made the remarks as reported.

"Everyone is aware that the Thai military and government are taking action against individuals who help the Khmer Rouge. We've tried to solve the problem but the media is trying to negate our efforts," the spokesman said.

Army Commander-in-Chief Gen Wimon Wongwanit said no active soldiers were involved in trade with the Khmer Rouge. But the general did leave open the possibility that reservists might be engaged in these activities.

"They are not active soldiers," the Army chief said. Under the Thai system, unlike that of some other countries soldiers can use their military ranks for life," he added. However, Mr Surin said some Western countries might be "under pressure" to find "a person or a country" whom it could accuse of prolonging the problem in Cambodia.

Permanent Secretary for Foreign Affairs Pracha Khunakasem noted that the Australian public was angry about the death of David Wilson.

Briton Mark Slater and Frenchman Jean-Michel Braquet were also killed, apparently in late September, by the Khmer Rouge. The hostages were abducted on July 26, about three weeks after the government in Phnom Penh outlawed the guerrilla faction. [passage omitted]

Possible Impact of U.S. Elections on Asia Viewed

BK0811093594 Bangkok THE NATION in English 8 Nov 94 p A6

[Editorial: "Bitter U.S. Election Race Raises Concerns for Asia"]

[FBIS Transcribed Text] American voters go to the polls today in what is being called the closest and nastiest mid-term election in memory. Up for grabs are all 435 House seats, 35 of the 100 Senate seats, 36 of the 50 state governorships and to many observers, the ability of President Bill Clinton to rule effectively for his remaining two years in office.

Should the Democrats lose control of the House and Senate, Clinton will face a hostile Republican-controlled Congress that has shown little willingness to work with him in the past two years.

Indeed, an aggressive campaign launched against Clinton almost from the day he assumed office has compounded already high electorate frustration with America's federal political system. Clinton's popularity, despite lower unemployment, a revived economy, some recent foreign policy successes and a lower budget deficit, languishes below the 50 percent mark. Many of his Democratic colleagues have asked him to stay away from their campaigns for fear that his low popularity would hurt their election prospects. The Republicans themselves are billing the election race as a referendum on Clinton and the perception that his administration has been marked by legislatorial grid lock.

Clinton has said he could work with a Republican-controlled Congress but questioned whether they would work with him. Clinton's two years in office have been marked by titanic struggles to push his social agenda—including crime bills and health reform—past the Republicans and conservative representatives from his own party.

Weekend opinion polls gave the Republicans between a three and five percent lead in the race to control the House. The five-point difference in the vote might be enough for Republicans to gain control of the House, but it is not enough to guarantee such an outcome.

This narrow lead has intensified an already unprecedented dirty campaign. In an example typical of the standard of campaigning this year, House Republican whip Newt Gingrich over the weekend used a South Carolina mother's shocking murder of her two children to political advantage. In a campaign appearance in his home state of Georgia, Gingrich was quoted as saying the Susan Smith case reminded Americans of how sick their society was getting and said that the only way to get change was to vote Republican. His argument seems to ignore the fact that it is the Republicans who have controlled the White House and American life for all but six of the last 26 years.

Gingrich, who is aiming to become House majority leader, has taken up the vanguard of the Republican right. He makes no apologies that the centrepiece of his party's platform—a "Concorde" with the American people—marks a return to the Reaganomics that many blame for the United States current macro- economic mess. But the Republicans current position in opposition has allowed them to ignore substantial issues and focus the election on the Democrats' shortcomings and voter anger with Washington.

Should the Republicans regain congressional power, what they do with it will be the burning issue for Asia and Thailand.

Traditionally, the Republicans have been favoured by Asian governments because they were seen as more outward looking, pro-trade, and as firm backers of the US security umbrella that has underpinned Asia's development since the Second World War.

However, the radicalization of the Republican party and a general nationwide shift to the right raises some worrying questions for Asia. Should the Republicans win, Jesse Helms, the arch conservative senator from South Carolina would take over as chairman of the Senate Foreign Relations Committee. Helms, who is better known for his domestic agenda, which includes fierce opposition to pornography and social programmes such as affirmative action, also represents a growing and disturbing isolationist sentiment in US government.

Senate Republican leader Robert Dole and Gingrich have similarly expressed reservations about the landmark Gatt agreement which has yet to be ratified by the US Congress and would unravel should it fail to win support in Washington.

Despite their history as free trade advocates, the new Republican sentiment reflects growing frustration about the United States' ability to control global trade affairs as its reduced international security role weakens its leverage. Some leading Republicans appear to be sending the message that the United States would be better placed withdrawing behind the walls of the Nafta trade bloc than competing in an open international economy.

Asia can only hope that such posturing represents only more cynical campaigning and not the direction of future US foreign and trade policy.

Rejection of U.S. 'Gunboat Diplomacy' Lauded

BK0611144694 Bangkok SIAM POST in Thai 6 Nov 94 p 6

[Commentary by Thitichai Thanadirotkun: "U.S. Floating Arms Depot"]

[FBIS Translated Text] There was another interesting piece of news at the same time as the arrest of General Sin Song and his men who fled Cambodia into Thailand following a coup accusation. It was the rejection by the Thai Government of Prime Minister Chuan Likphai of the U.S. request to establish a floating arms depot in the Gulf of Thailand. The Thai Government reasoned that it feared the move would cause suspicion among Thailand's neighbors. Reports about Sin Song have entirely overshadowed this news.

Following the Thai Government's rejection on Monday, U.S. Assistant Secretary of States for East Asia and Pacific Affairs Winston Lord said in Washington on Friday that the United States is disappointed with Thailand's rejection.

In his statement, Lord admitted that the situation in Asia is generally good at present—better than it has been in a century. Thus, it is surprising that the United States still wants its military forces in a state of readiness for regional problems.

In U.S. terms, this military readiness through the establishment of a floating arms depot in the Gulf of Thailand is called "pre-positioning" [preceding word in English here and throughout item]. It is meant to cope with emergencies in Asia and the Persian Gulf. Recent tension between Kuwait and Iraq made the United States realize that there was an advantage in the rapid deployment of U.S. forces to the area of conflict as it was carried out faster than during the time of President George Bush. The rapid deployment caused President Saddam Husayn of Iraq to back down and pull out troops from the border area close to Kuwait.

The term pre-positioning means an advanced deployment toward a target. It is clear in the preceding paragraph that what the United States most desires is a strategic position from where its power can reach the tension area the fastest. This is done through military pre-positioning.

The Gulf of Thailand and Thailand itself is the most strategic point in Asia and the Pacific. Looking at the world atlas, one sees Asia and the Pacific at 60-150 degrees east longitude and between 10 degrees south latitude and 50 degrees north latitude. Geographically speaking, the Gulf of Thailand and Thailand is directly in a middle position, and from this central point eastward one can reach the South China Sea and the Pacific Ocean, and westward towards the Indian Ocean, the Arabian Gulf, and the Persian Gulf.

In this context, it is possible to say that the United States gives priority to military pre-positioning in Asia and the Pacific because simmering conflicts which can explode into a war still exist in many areas, such as the Korean peninsula and the Spratly Islands. Besides, military pre-positioning in this region will be a sort of "pressure" to get what the United States wants concerning policies as there are still many countries in the region which are adopting policies undesirable to the United States. These countries include Burma, China, Indonesia, Malaysia, Pakistan, and Thailand.

Because Thailand is situated in the most suitable location for U.S. pre-positioning, the United States requested Thailand first. As Thailand has rejected the request, the United States will look to other countries nearby. However, it is believed the United States will seek another round of negotiations with Thailand on this matter when Secretary of State Warren Christopher visits Thailand in the near future.

As a matter of fact, although it was forced to dismantle its military base at Subic Bay, the United States still has a protectorate in Philippine waters where it can establish a large base—at Palau Island, east of Mindanao. Anyway, there is less advantage in setting up a base there compared with a base in the middle of Asia. At least with its presence here, the United States would be able to command respect from countries such as China with a tendency to expand southward.

Thailand has done the right thing in not allowing the United States to establish the floating arms depot in the Gulf of Thailand. By agreeing with the U.S. request, Thailand would immediately create enemies as well as arouse suspicions in neighboring countries since it would be considered allowing the United States to carry out gunboat diplomacy at its doorstep. Thailand, in that case, would be isolated by other countries in Asia and the Pacific.

U.S. Pressure on Rangoon for Reforms Lauded

BK0611084594 Bangkok THE SUNDAY POST in English 6 Nov 94 p 24

[Editorial: "Washington Paves Way for Burmese Junta To Save Face and the Country"]

[FBIS Transcribed Text] Washington has made it clear to the ruling Burmese junta that it would impose further restrictions on political and economic ties unless the Rangoon government improves its record on human rights, political reform and narcotics suppression.

The veiled threats were issued after senior US diplomats led by Thomas Hubbard, deputy assistant secretary of state for East Asia and Pacific Affairs, met senior junta member Lt-Gen Khin Nyunt and Foreign Minister Ohn Gyaw last week.

It was the first high-level discussions between the two countries in six years since the US recalled its ambassador from Rangoon in 1989 after Slorc [State Law and Order Restoration Council] seized power in 1988.

Hubbard told a press conference in Bangkok last week after the two-day visit to Rangoon that "We travelled to Burma to convey to the Burmese authorities the strong US interest in progress on issues of political concern, specifically human rights, democratisation and counter-narcotics.

"We indicated that we would like to see more constructive relations between the United States and Burma. We made clear, however, that significant movement on issues of concern is necessary if there is to be any progress in bilateral relations."

However, Hubbard and his team received no commitment from Rangoon except a promise to continue talks with Aung San Suu Kyi and to survey Burma's opium harvest with the cooperation of the United States. This concession by Slorc may seem rather small but indicates that pressure from a superpower at the right time does produce results.

Burma today has virtually depleted its foreign exchange reserves and is having difficulty paying even the salaries of its diplomats, a Burma watcher said recently. The Burmese kyat is worthless and Slorc is using "foreign exchange certificates" (FECs) to facilitate trade in Burma. But there are $10 of FECs in circulation for each dollar it holds in hard currency reserves.

To avoid national bankruptcy, Slorc needs the cooperation of the United States which could help obtain aid from international financial institutions like the World Bank and the Asian Development Bank. The US has opposed support from these organisations since it listed Burma as one of the countries that did not cooperate fully on narcotics. To help avoid this financial fiasco Slorc would do well to accept Washington's other proposals on greater democracy and human rights in the country.

The United States is serious about its proposals, or threats if one would like to call them that, when it says it wants to see constructive relations between the two countries.

A recent report in the US News and World Report stated that the National Security Council will within a month or so recommend for the president's signature classification of Burma as a "serious national security threat". If that classification is authorised it would mean relations between Rangoon and Washington would deteriorate further as it could entail covert operations in Burma.

The generals in Burma must surely know about this as Slorc's $10,000 per month part-time lobbyist in Washington would have informed its client by now of the significance of that authorisation. Slorc also fully realises that the Burma policy is now being made by the National Security Council rather than the State Department.

A National Security Council official in Hubbard's delegation said Khin Nyunt listened to the US position without hostility and in a way that indicated he understood what was being proposed. "The ball is in the government of Burma's court," he said.

So who is Lt-General Khin Nyunt trying to fool when he announced that the second meeting with Aung San Suu Kyi on October 28 took place "not because of anybody's urgings or due to any pressure put on us, but based on mutual understanding and concern for the future welfare of the country."

One person concerned about the future welfare of Burma is Aung San Suu Kyi, who is in her sixth year of house arrest. We doubt, however, if Khin Nyunt and his cronies are. His statement can be taken seriously only when Slorc relinquishes its illegal-rule and honours the results of the 1990 election won by the National League for Democracy. Also, Slorc must scrap the rubber-stamp constitution being worked out by the so-called National Convention at gunpoint.

There is still time for the military to bow out gracefully and regain the trust and respect of the Burmese people it once enjoyed. Many in the armed forces want their respect back after being shunned by the populace for so long. The United States has paved the way for this to be realised. It would do Slorc good and benefit the country as a whole to accept the proposals put forth by Washington if peace, harmony and most of all, national reconciliation are to be achieved in Burma.

"National reconciliation" as Aung San Suu Kyi puts it, "doesn't just mean reconciliation between two people (Slorc and Aung San Suu Kyi)—I don't accept that at all. It's a reconciliation between different ideas. What we need is a spiritual and intellectual reconciliation. I've always said that the only answer to Burma's problem is dialogue."

The dialogue has begun, and now Slorc must ensure that it continues until a peaceable solution is found for the sake of the 42 million suffering Burmese.

Vietnam

Neighbors' Rejection of U.S. Request Hailed

BK0811144894 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 Nov 94

[Station commentary]

[FBIS Translated Text] Washington is attempting to set up arsenals in Thailand, the Philippines [as heard], and Indonesia, reasoning that this is essential to maintain order and stability in the region and to deal with unexpected situations. The Thai Government has flatly rejected the U.S. intention, however, saying it is not necessary. Considering the current situation, the setting up of military bases would benefit only the United States, not Thailand. The Thais have learned this lesson in the past. Moreover, the establishment of U.S. arsenals would lead to misunderstandings among nations in the region. Indonesia, through a statement by Foreign Minister Ali Alatas, has also announced its clear position that it is unnecessary to set up military bases in Southeast Asia. Recently, Malaysian Prime Minister Mahathir Mohamed stated that the Southeast Asian nations do not need military bases in the region.

It can be said that this is a new feature or trend in the political attitude of the Southeast Asian nations. It stems from a regional situation that has changed fundamentally from war to peace and from confrontation to dialogue and cooperation. It is time for the Southeast Asian nations to realize clearly that all disputes among countries in the region can be resolved through negotiations. Another factor of equal importance is that Southeast Asia is the most dynamic and rapidly developing region in the world today. This is a good opportunity and a favorable situation that should be firmly grasped and exploited by the Southeast Asian nations in order to advance further. The ASEAN Economic Ministerial Conference in Chiang Mai, Thailand last September reflected this trend.

Generally speaking, many countries in the world have expressed their belief in the UN concept that peace is the prerequisite, economy is the driving force, the environment is the base, and justice is the pillar for development and social progress. In this context, efforts to promote an arms race and the expansion of military strength through foreign military bases are inept and obsolete. Even Saudi Arabia recently rejected U.S. efforts to set up arsenals in its territory to serve the U.S. strategy in the Gulf region.

It was a correct, farsighted, and courageous decision for the leaders of Thailand, Indonesia, and Malaysia to reject Washington's proposal to set up military bases in this region. This clearly manifests the aspirations of the people of the region and suits the current common trend of developing the economy and peace while rejecting war and arms. The decisions of Thailand, Indonesia, and Malaysia firmly convince us of the trend for peace, stability, friendship, and cooperation among the countries of this region.

Resuming Relations With Russia Said Under Way

BK0811100194 Hanoi VNA in English 0833 GMT 8 Nov 94

[FBIS Transcribed Text] Hanoi VNa November 8—The national daily NHAN DAN today carries an article written by Nguyen Dy Nien reviewing the significance of the October Revolution and the support from the former Soviet Union toward Vietnam, saying that they provide a favourable foundation for the Vietnamese people to resume their traditional relations with old friends on a new basis.

The article quotes Prime Minister Vo Van Kiet as saying in his official visit to Russia and some other republics of the former Soviet Union last June that Vietnam attached great importance to the maintenance and development of its traditional friendship with those countries, which was interrupted due to historic upheavals there.

In this approach, Vietnam is now step by step resuming its multi-lateral cooperation on the basis of mutual benefit with the former Soviet republics and other countries in Central and Eastern Europe, the article says.

It affirms that the exchange of visits by high-level delegations of Vietnam and these countries recently, and the signing of many important agreements, which define new [word indistinct] for further cooperation are initial but good steps towards resuming and developing the existing friendship and multi-faceted cooperation between Vietnam and those countries on a new basis and under new forms.

The paper notes that Russia was one of the biggest investors who had contributed greatly to infrastructure construction in Vietnam. With the signing of an agreement on the basic principles of the friendly relationship, the first ever after the dissolution of the Soviet Union, and a series of economic agreements between the two countries, the cooperation between Vietnam and Russia will be expanded in the fields of oil and gas exploitation, energy, the cultivation and processing of tropical farm produce, aquatic products, scientific and technological research, especially in biological technology.

The article notes that the recent agreements have laid a legal basis and created a new mechanism for cooperation in business, culture and science and technology.

After expressing its regret over the low level of cooperation between Vietnam and those countries, especially in trade, which is below potential and does not meet the demand of both sides, the article stressed in its conclusion that Russia and the countries of the former Soviet Union and those in Central and Eastern Europe will be able to build on this traditional relationship and become important cooperative partners in trade and investment, culture, education, science and technology.

* Article Views Cambodian Immigration Law

952E0010A Hanoi TUAN BAO QUOC TE in Vietnamese 8-14 Sep 94 pp 1, 2

[Article by Nguyen Duy: "A Law That Needs Revision"]

[FBIS Translated Text] The adoption by the Cambodian legislature of a new immigration law aimed at perfecting the legal system of Cambodia after long years of genocide is a normal practice. In the world today, no country is free from immigrants and immigration problems. However, what is not normal here is that this Cambodian immigration law has caused a great shock and deep concern and worries among international political circles and opinion as well as international human rights organizations. In particular, the immigration law, as the news agency AGENCE FRANCE PRESS observes, "has stunned the Vietnamese community in Cambodia."

To avoid regrettable consequences that might arise, during the process of drafting the law, various nongovernmental organizations in Cambodia had laid down four conditions: First, Cambodia must abide by its international legal obligations stipulated in various international conventions to which it is a signatory; second, the rights of all people in Cambodia as stipulated in the Constitution must be guaranteed; third, any resolution of the issues relating to the presence of foreign nationals in Cambodia must be based on the recognition that any politicization of this problem would only lead to social tensions both in and outside Cambodia; and fourth, there must be clearly defined regulations concerning refugees as a separate group needing international protection.

Generally speaking, public opinion has contended that this is a highly arbitrary law. The formalities concerning expulsion are not appropriate, and a civilized society cannot resolve the immigrant and immigration problem when human rights are not guaranteed, when the rights of refugees are not protected, and when the provisions on recognizing the immigrants' rights to residence, movement, employment, and legal protection, and their right to protection against racial and religious discrimination are not clearly defined. Such a law certainly does not promise anything good.

All international officials and opinion agree that this law is chiefly directed at the large numbers of Vietnamese nationals currently earning their living in Cambodia. Could it be that these innocent laborers—the fishermen in Tonle Sap, the handicraftsmen... who have for many years become attached to and shared weal and woe with the Cambodian people—have now once again become the object of concentration, screening, and mass expulsion?

This reminds many people of the expulsion of 200,000 Vietnamese nationals in 1970 under the Lon Nol administration, the ostracism of 230,000 Vietnamese nationals and the massacre of 40,000 others under the genocidal Pol Pot regime, and the exodus of tens of thousands of Vietnamese who fled the terror and massacre campaign conducted by the Khmer Rouge in the early months of 1993, with the consequence that, up to now, thousands of them still have to live in extremely difficult conditions and utter deprivation in the Vietnam-Cambodia border region. This is not to mention countless other massacres of Vietnamese nationals.

In the history of international relations, in particular relations between neighboring countries, it is normal for the people of one country to resettle and earn a living in another. Naturally, the foreign nationals problem is not resolved in the same way in all countries. But, all policies regarding resident aliens must be in line with the common standards established by international law and with the bilateral agreements concluded by the countries concerned.

In connection with the Cambodian immigration law, President Le Duc Anh and Prime Minister Vo Van Kiet, on 15 and 27 August respectively, sent letters to King Norodom Sihanouk and the two prime ministers of Cambodia expressing concern about the serious consequences Vietnamese nationals might suffer. On 26 August, Vietnamese Foreign Minister Nguyen Manh Cam also sent a letter to his Cambodian counterpart Sirivut. The same day, through the Vietnamese Foreign Ministry, the Cambodian ambassador to Vietnam relayed the views of the two Cambodian prime ministers to their Vietnamese counterpart. On 29 August, King Norodom Sihanouk also sent a reply to President Le Duc Anh.

In the letter addressed to the two Cambodian prime ministers, Prime Minister Vo Van Kiet pointed out: "Public opinion is also particularly concerned about the fact that Vietnamese nationals who are living peacefully in Cambodia may be rounded up, screened, and expelled en mass. Obviously, this would adversely affect the image of Cambodia, the friendly, neighborly relations between Vietnam and Cambodia, and the stability and cooperation in the region."

It is our wish that the Cambodian lawmakers will, as King Norodom Sihanouk himself suggests, "study the possibility of revising this law in the spirit of fairness and friendship and with due respect for the human rights of the honest Vietnamese nationals currently living in the Kingdom of Cambodia."

We also hope that Vietnamese and Cambodian experts will begin talks at an early date to find a satisfactory solution to the Vietnamese nationals problem in conformity with international law and practice, thereby responding to the interests and wishes of the Vietnamese and Cambodian peoples as well as the interests of peace, stability, friendship, and cooperation in the region.

Buddhists Reportedly Arrested in Ho Chi Minh City

BK0811152294 Hong Kong AFP in English 1510 GMT 8 Nov 94

[FBIS Transcribed Text] Hanoi, Nov 8 (AFP)—More than 10 monks and worshippers were arrested in Ho Chi Minh City during a police crackdown on the dissident Buddhist church, a human rights group said in a statement received here Tuesday. The Paris-based Vietnam Committee for the Defence of Human Rights said the operation last weekend was aimed at preventing the Unified Buddhist Church of Vietnam [UBCV] from distributing aid to victims of the recent floods in the south of the country.

Last week, dissidents living abroad said senior UBCV official Thich Long Tri was arrested as he prepared to lead a humanitarian convoy to the flood-ravaged Mekong Delta. The authorities here denied the report. The committee said police carried out a wave of arrests in Buddhist dissident areas of the former Saigon's old city last Saturday and Sunday.

Police halted a convoy of 10 vehicles taking food and medicine to flood victims and violently dispersed the 60 monks and 300 supporters who were with the convoy, the statement said.

* Countermeasures Against 'Peaceful Evolution'

952E0008A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Aug 94 pp 14-17

[Article by Senior Colonel Tran Duy Huong: "Satisfactorily Implementing the Party's Policy on Religion—a Fundamental Countermeasure Against 'Peaceful Evolution'"]

[FBIS Translated Text] The "peaceful evolution" strategy of hostile forces is a counterrevolutionary strategy aimed at changing the political system of the remaining socialist countries without recourse to armed violence.

To implement this strategy, all tricks, forms of action, and measures are used, with special attention being given to taking advantage of *religion* to mislead, incite, and drag believers into struggling against the party and state under the mask of "freedom of faith," "democracy," and "human rights." It is contended that the "struggle of religions against the Vietnamese communist regime is a life-and-death struggle" and that religions are "the force deciding success." For this reason, "the secret religious war" occupies a key position in the subversive struggle at each point and in each area. Hostile forces' basic, traditional trick is to seek all means to distort and cast aspersions on the correct policy of our party and state on religion and on freedom of faith. They allege that "Communism is synonymous with atheism, as such, it cannot coexist with religion, which is theistic," and that "Communism has declared war on all religions," and so forth. Using similar allegations, they have tried to incite the masses and drive a wedge between the party and administration and religious believers, and between believers and nonbelievers.

Thus, hostile forces have taken advantage of the faith of large sections of believers in an attempt to turn them into an opposition force against the revolution. However, the majority of the people in our country, whether they are religious or not, are workers and peasants, the basic force of the revolution; and large sections of believers of all faiths in our country follow the path charted by the party. This fact has been proved by reality in more than one half century of struggle for national liberation and of national construction and defense in our country. By means of practical actions, our cadres and party members should focus their attention on improving all aspects of the people's life including the religious life of believers, thus prompting all believers always to "make life better and religion more beautiful" and to oppose all enemy schemes of capitalizing on religious faith and distorting party and state policies to attract, mislead, and control the masses and to push religious people into opposing the revolution.

In its cause of renovating the building of socialism, our party has definitely and clearly affirmed that religious belief is the spiritual need of a section—perhaps a large one—of the people. We must consistently implement the policy of respecting and ensuring freedom of faith and oppose all acts of violating this freedom. At the same time, we must oppose all attempts to take advantage of freedom of faith to hurt the interests of the fatherland and people. On the one hand, we must oppose the subjectivism, voluntarism, and conservatism of some people which have resulted in violations of the people's freedom of faith; on the other, we must reassure religious people so that they can enjoy a "good life and beautiful religion" and get rid of complexes and misunderstandings caused by bad elements' slanderous allegation that socialism is synonymous with destruction of religion.

On the basis of our party's renovated viewpoint on the religious issue, the Council of Ministers (now called the Government) has issued Decree 69/HDBT establishing regulations on religious activities. The decree clearly defines the following fundamental principles of our policy on religion:

—The state guarantees citizens' freedom to have and not to have religious belief and strictly prohibits all discrimination based on religion or faith.

—Among the people, there are those who embrace a faith and those who do not. It is the state's policy to guarantee the freedom of both of these groups of people and strictly prohibit discrimination in school enrollment, employee recruitment, promotion, commendation, emigration, marriage, inheritance.... At the same time, the state demands that, the more their freedom of faith is broadened, the more believers and nonbelievers alike—whatever their faith may be—should strengthen their unity, treat one another cordially, help one another, and avoid criticizing and attacking one another.

—All citizens—religious believers and nonbelievers alike—are equal before the law, entitled to all civil rights, and dutybound to discharge their civil obligations.

—As far as their role and status as citizens are concerned, all people are equal before the law, and there are no differences and restrictions whatsoever on account of their faiths. However, civil obligations and rights are linked with religious belief. When engaging in religious activities, believers are dutybound to respect and defend the law and to fully discharge their civil obligations.

—All religious activities including the foreign relations and international activities of religious organizations must be in conformity with the Constitution and state law. If canon law differs from state law (with regard to marriage, divorce, family planning...), religious organizations as well as religious dignitaries, religious people and followers must seriously implement state law.

—Religious activities in the legitimate and legal interests of believers are ensured. In religious ethics, besides its negative aspect, there still are many points conforming with the requirements of the building of the new society. Therefore, we should encourage those religious activities that are in the interests of the fatherland and people, such as combining preaching religious creeds with encouraging patriotism or teaching an ethics that is in conformity with the morality and fine customs of the nation and with the morality of humanity. The state pays attention to charitable, humanitarian activities... and create favorable conditions for them.

—All superstitious activities are suppressed. All acts of lawbreaking, taking advantage of religion to sabotage national independence, opposing the state, undermining the policy of national unity, harming the wholesome national culture, and preventing believers from discharging their civil duties are dealt with according to the law.

In the process of organizing the implementation of this decree, it is necessary to help everyone gain a clear understanding of the correct renovation of the party's and state's policy on religion. On this basis, we should actively struggle to overcome the manifestations of deviationism among some local cadres that have resulted in infractions of the policy on religion. We should prevent the wrongful activities of a number of religious dignitaries; in particular we should struggle to expose the slanderous and misleading allegations by hostile forces which are capitalizing on our party's and state's policy on freedom of faith and taking advantage of the "democracy" and "human rights" labels to oppose and sabotage the building and defense of our socialist homeland.

Recently, in a number of areas inhabited by religious believers there have occurred some phenomena such as demands for the return of places of worship previously donated by various religions to the state for use in improving public welfare; demands for the return of church-owned land; demands for the repair and restoration of places of worship; excessive collection and mobilization of manpower and material resources to build places of worship and to organize religious activities, which affected the livelihood of believers; and organization of superstitious activities in the name of religion and faith.

To resolve these problems, we must be persevering and patient, hold fast to the party's and state's positions and policies, know how to apply religious tenets and ethics in a way suitable for each person, and use rational and sensible propaganda and explanations to secure voluntary compliance by everyone. Worthy of note here is that religious faith occupies an extremely important place in the spiritual and sentimental life of believers. People are willing to endure all kinds of difficulty in life, even to give up their lives, to serve that faith. This is a fact that hostile forces have always tried to exploit to serve their designs. For this reason, we must study new forms and methods of propaganda and persuasion to convince people in a rational and sensible manner without infringing on that faith.

When working to resolve the current prominent problems such as returning places of worship and land, repairing and restoring temples, pagodas, churches... we must strictly abide by Directive No. 379/TTG of the prime minister of government. We must create favorable conditions for various religions to repair damaged and degraded places of worship. Concerning those places of worship destroyed by war or natural calamities which are not figured in the general construction plan, their rebuilding should be allowed according to current regulations if there is demand for it. But excessive mobilization of public contributions of money and manpower, which may affect the people's livelihood and production, is prohibited. With regard to those places of worship already donated by various religions to the state for use as public welfare facilities (such as schools, hospitals, charitable and humanitarian establishments, and so forth), there is no question of their being returned. If these places are not used for the stated purposes, they must be absolutely returned. Places that are lent for a definite period of time must be returned when the lending period is over. If they are still needed, continued use is permitted only with the consent of the church concerned. When these places are returned, the interests of all the parties concerned must be adequately taken care of in accordance with the current policies and laws. People should not be allowed to encroach upon places of worship. Regarding those places of worship in which people have taken up residence—a problem left by the past—the local administration must work out plans to clear them.

Superstitious activities carried out in the name of religious beliefs are infractions of the law and transgressions of the fine national customs. They do not belong to the tenets, rules, and rituals of any religion; worse still, they are aimed at deceiving people and obtaining illegitimate gains, thereby causing loss of money, property, and even life to the people. For this reason, such activities must be strictly prohibited in accordance with Article 199 of the Criminal Code of the Socialist Republic of Vietnam.

Recently, a number of local administration cadres, partly because of their lack of a firm grasp of the party's and state's viewpoint and policy on religion, and partly because of their failure to pay attention to the masses' age-old need for religious faith, committed outrageous acts that incensed some religious believers and dignitaries in their localities. In so doing they have caused cracks for the enemy to exploit, to slander the administration, to distort facts, and to drag gullible believers into opposing the administration, thus adversely affecting local political security. We should overcome these shortcomings. We must understand that religious faith and belief were and are a spiritual need of the masses of believers. If we do not pay attention to meeting this need and act in contradiction to the people's aspirations, we would be lacking in the party's mass standpoint. We must be extremely cautious when exposing reactionaries donning the cloak of religion or criticizing the wrongdoings of some religious organizations and dignitaries. We should distinguish between upright and villainous people and win the support of the masses of believers; we must absolutely avoid outrageous words and deeds that hurt the religious feelings and beliefs of believers.

In the process of teaching and propagandizing the party's and state's policy on religion, we should fully realize the positive aspects and rightful deeds of religious dignitaries and believers. We should cite concrete examples drawn from the localities concerned or highlight the achievements of the revolution and the benefits offered by the revolution to religious dignitaries and believers. We should lay bare the losses caused by those who have taken advantage of religion to enable believers to clearly see what is true and what is false, what is right and what is wrong.

In view of the situation in which all religions have adopted strategies to increase the numbers of their followers, with the younger generation being the primary target of recruitment (for example, the church in Ho Chi Minh City has set up an organization called "United Youth" to propagate religious tenets among young people; in Quy Nhon, the church has intensified the teaching of religious creeds in household groups, and so forth), we should consolidate and bring into play the roles of the mass organizations, in particular the Ho Chi Minh Communist Youth Union, in order to orient the younger generation in approaching and absorbing religions.

The Youth Union must be really stable and strong politically, ideologically, and organizationally, and must be capable of educating the younger generation, thus enabling it to clearly realize that the more freedom of faith and religious belief are respected, the more fully young people must fulfill their civil duties toward the fatherland. To revere God and love the country also means to love the fatherland, to assume responsibilities toward one's nation and country, and to love one's fellow countrymen. These are deeds that help make "life better and religion more beautiful" in conformity with religious ethics. They also are the raison d'etre and the credo of true religious dignitaries and believers. There was a time when not a few religious dignitaries in Vietnam concentrated on propagandizing that "God is above all," "all for God..." without linking what they preached with the history and roots of the nation and with people's responsibilities toward their country. There were believers who were poisoned with the idea that they could stand losing everything, provided their souls and God remained, even though theirs were the souls of sick and enslaved people who had sold their spirits and betrayed their fellow countrymen. That was the outcome of the work by colonialism in taking advantage of the propagation and development of religion to carry out its scheme of aggression and its policy of domination against our country.

Nowadays, hostile forces are also making every effort to win over and take advantage of religion to carry out their "peaceful evolution" strategy. Therefore, we must help everyone make a clear distinction between religious activities that correctly reflect the need for religious faith and belief of a section of the people who practice religion and activities aimed at taking advantage of religion. Our cadres, party members, and soldiers should hold fast to the fundamental viewpoints of the party's and state's policy on religion to help the party committee echelons and administration in the localities where they are stationed propagandize the policy and motivate the people to correctly perceive and seriously implement it. At the same time, they should avoid shortcomings and weaknesses that the enemy may exploit. The more really we respect freedom of faith, the more resolutely we must oppose reactionaries who capitalize on it. This is a measure aimed at frustrating the scheme of "peaceful evolution," contributing to firmly maintaining political stability and public order and security and ensuring the peaceful life of the people, including large sections of religious believers.

Australia

Indonesian Rights Abuses Cited Ahead of APEC

BK0711065294 Melbourne Radio Australia in English 0500 GMT 7 Nov 94

[FBIS Transcribed Text] Australia has expressed concern to Indonesia about reports of human rights abuses ahead of next week's APEC leaders summit meeting in the Indonesian resort of Bogor.

The trade minister, Bob McMullan, told the Senate there were signs that the Indonesian authorities have been clamping down on dissenters to avoid any disruption to the meeting. Senator McMullan said Australia had been closely monitoring a number of human rights issues in Indonesia and had expressed some concerns at a senior level.

The minister said issues of concern included the questioning of a leading academic activist and a draft presidential decree regulating the operations of nongovernment organizations.

Solomon Islands

Parliament Reelects Mamaloni as Prime Minister

BK0711024194 Melbourne Radio Australia in English 0100 GMT 7 Nov 94

[FBIS Transcribed Text] Solomon Islands has a new prime minister. Solomon Mamaloni was elected to office this morning. It is the third time he has held the post. Mr. Mamaloni, formerly the opposition leader, beats Sir Beddeley Devesi, by 29 votes to 18 after a secret ballot in Parliament.

In a brief address to his fellow MP's, Mr. Mamaloni said he was yet to get over the shock of being elected. He also assured Solomon ISlanders that he would serve them with honesty and dedication.

Mamaloni Cited on Bougainville Policy

LD0711103294 Melbourne Radio Australia in English 0800 GMT 7 Nov 94

[FBIS Transcribed Text] The new Solomon Islands prime minister, Solomon Mamaloni, says his government has not yet prepared its policy on the separatist conflict on the Papua-New Guinea island of Bougainville. Sean Dorney reports that Mr. Mamaloni says his government will be moving carefully on the Bougainville issue:

[Dorney] Asked at a news conference if his government would recognize Bougainville's independence, Solomon Mamaloni said Bougainville was a delicate matter and he was not going to issue careless statements that would put his government at a disadvantage. Earlier he had said his government would need to familiarize itself with all that had taken place. For example, the recent peace conference promoted by his predecessor, Francis Billy Hilly, and he said he'd consult Papua-New Guinea. The peace conference was boycotted by the rebel leadership, which has enthusiastically welcomed Mr. Mamaloni's election.

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